

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Monday, April 25, 1994

No. 34,571



A police photographer taking pictures at the site of the car-bombing Sunday in Johannesburg near the ANC offices. Nine people died.

## 9 Die in Johannesburg Bomb Blast

By William Claiborne  
and Paul Taylor  
Washington Post Service

JOHANNESBURG — A car bomb rocked central Johannesburg near two African National Congress offices on Sunday, 48 hours before the start of South Africa's elections, killing 9 people and wounding 92.

Although the bombing appeared to be intended to disrupt the election and intimidate voters, party leaders across a broad political spectrum condemned it as a "cowardly act" and said it would achieve nothing except to strengthen the determination of most South Africans to vote.

The bomb, which police estimated weighed 70 to 90 kilograms (155 to 200 pounds), exploded a block from both the national and regional headquarters of the ANC.

Among the victims was an ANC candidate for the regional assembly of the new nonracial Parliament, Susan Keane, who was killed as she was driving to the regional headquarters for a meeting.

The others who died were pedestrians and sidewalk vendors who were near where the bomb blasted a deep crater.

Although both the police and the ANC said they were not yet prepared to pinpoint blame for the attack, suspicion immediately pointed

toward white extremists intent on disrupting the voting, which is expected to propel the ANC into power.

The ANC's president, Nelson Mandela, who appeared subdued as he arrived for a rally in Durban, urged the 100,000 supporters there to "leave the task of maintaining law and order with the security force."

Mr. Mandela returned immediately to Johannesburg, saying he would discuss the attack with President Frederik W. de Klerk.

South Africa's minister of law and order, Hennie Kriel, said in a statement: "Those who believe they will prevent or disrupt the election by such terrorism have completely missed the bus. Such mindless acts of terrorism will not stop the birth of democracy in South Africa."

And Mr. de Klerk's National Party issued a statement urging the police to apprehend those responsible quickly, saying that "South Africa cannot afford this kind of terrorist deed."

Several people who said they were witnesses gave reporters and ANC officials varying accounts of events immediately leading up to the blast. They ranged from seeing a white man leaving a white Audi sedan that appeared to be emitting smoke, to observing two white policemen searching a black sedan near the site of the explosion after detaining two black men.

Police Colonel Steve Senekal said he could

not confirm any of the reports, but he said two policemen were on patrol in the immediate vicinity, one of whom was slightly wounded. Colonel Senekal said there was "no indication whatsoever from the patrol" that they were aware of an imminent explosion.

He said, however, that the bomb exploded in or underneath a white Audi sedan, which was completely destroyed.

The force of the explosion shattered windows in office buildings in a three-block radius.

Authorities, fearing another attack, erected coils of razor wire around the ANC headquarters and deployed armored vehicles in the vicinity.

Tokyo Senkwa, ANC regional chairman and the party's candidate to lead the regional legislature, said he was not hurt.

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### Klosk

## 170 in Hospital Killed in Rwanda

NICOSIA (Reuters) — About 170 people, mostly patients, in a southern Rwanda hospital were killed Sunday, the latest massacre in the central African country's civil war, a medical aid agency said.

In a report from the neighboring Burundi, given to Reuters in Nicosia, Doctors Without Borders said it was pulling out all its staff in southern Rwanda.

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Michael Moore, the first left-handed world heavyweight champion. Page 15.

## Serbs Pull Back Weapons In Face of NATO Threat

By Roger Cohen  
New York Times Service

ZAGREB, Croatia — Bosnian Serbian forces, bowing to a NATO ultimatum, retreated Sunday from Gorazde as the United Nations and NATO papered over differences and determined that immediate air strikes against the Serbs were no longer warranted.

The Serbian withdrawal was spotty, interspersed with mortar and sniper fire, and clearly fell short of the conditions set by the North Atlantic Treaty Organization for the Serbs to avoid air strikes. But Yasushi Akashi, the senior UN official here and the man who rebuffed NATO requests to bomb on Saturday, declared that the momentum achieved was satisfactory.

"The situation is not perfect, but the progress is substantial," he said. "If you apply a strict standard you will not be totally satisfied. But the Serbs have moved from refusal, to reluctance, to compliance and now toward full compliance, and you have to consider this."

The Serbs now face a second NATO deadline — the withdrawal of their heavy weapons beyond 20 kilometers (12 miles) from Gorazde by 1 A.M. GMT on Wednesday, Mr. Akashi said there would be "not much flexibility on that deadline."

"There have been disappointments in the past in my dealing with the Serbian leadership, but I feel this should not deter me from negotiating," Mr. Akashi said. "I do not have the luxury of using high moral and ethical standards. I have to negotiate to the end, and now I am expecting the Serbs to come up to our expectations in their compliance."

UN peacekeeping forces, comprised chiefly of a Ukrainian company and 14 military observers, deployed Sunday on both banks of the Drina River in Gorazde with a mission to report on compliance with the cease-fire and the extent of the Serbian withdrawal. Their reports suggested a tense but marginally improved situation.

Serbian forces were said to have withdrawn

their tanks and big guns beyond a distance of three kilometers from the city center, but some infantry and light arms remained within this area.

As they retreated, Mr. Akashi said, the Serbs burned Muslim homes and blew up the town's water-treatment plant. A Bosnian Army mortar hit the town's armory factory, he said.

The continuing acts of violence and the presence of Serbian troops within the three-kilometer radius of the city center were in clear violation of NATO's ultimatum, which said the Serbs would face air strikes if they did not

immediately cease their assault on the UN-declared "safe area" and withdraw their forces beyond 3 kilometers by early Sunday morning.

But as at Sarajevo in February, where he chose to exercise restraint although the Serbian withdrawal of heavy weapons was not completed by a NATO deadline, Mr. Akashi again opted for prudence. The presence of UN forces in Gorazde now makes NATO air strikes much more unlikely.

A major reason for Mr. Akashi's stance is clearly that a NATO assault would pose a direct threat to the more than 16,000 UN personnel in Bosnia. The Serbs have told Mr. Akashi they will be "merciless" toward UN forces in the event of air strikes.

Mr. Akashi's position prompted a sharp clash Saturday with Manfred Wörner, the NATO secretary-general, who was in favor of bombing the Serbs when they failed to heed NATO's ultimatum to the letter.

The dispute underscored the difficulty of reconciling an avowedly neutral UN peacekeeping mission with NATO plans to use force in a way that could quickly endanger the peacekeepers.

But Sunday the UN and NATO closed ranks. Lieutenant General Bertrand de Lapresle, commander of UN forces in the former Yugoslavia, said in Zagreb that he was in regular contact the NATO commander in charge of air operations over Bosnia, Admiral Leighton W. Smith Jr., and there were no differences of view between them.

"We have been talking every day and night and our points of view are in complete accordance," he said.

However, it is clear that NATO and the United Nations here have in fact had great difficulty in reconciling their views.

NATO is eager to prove its credibility, which has been less than convincing over the two years of the Bosnian war and was undermined earlier this month when two pinpoint air attacks on Gorazde failed to halt the Serbian assault.

But Mr. Akashi and the lieutenant general who commands the UN troops in Bosnia, Sir Michael Rose, are much more concerned about the risk to their personnel and to the faltering quest for a peace settlement. "Nobody is telling us what the next stage would be after an air strike," Mr. Akashi said.

These problems were evident Sunday as the British and French governments, which had endorsed the NATO decision, balked at sending peacekeeping forces into Gorazde to monitor the cease-fire because of the danger they might face.

In the end, UN officials said, a British company did set out from Sarajevo, with a platoon of Russians and a platoon of Egyptians, but the French declined. The forces will join the Ukrainians already in the town.

Mr. Akashi said he was encouraged by the fact that there had been no fire against UN personnel in Gorazde and the evacuation of wounded in six helicopters was proceeding. British and French helicopters evacuating 85 wounded Muslims arrived in Sarajevo Sunday evening.

## European Currency Dream Revives

By Tom Buerkle  
International Herald Tribune

BRUSSELS — The prospects of a single European currency later this decade, considered virtually dead just a few months ago in the wake of repeated monetary crises, are being taken very seriously once again by politicians and investors.

The newfound optimism is driven by the remarkable stability of exchange rates in Europe since narrow fluctuation limits were abandoned last August, a stability that has endured despite the turmoil in financial markets caused by the recent upsurge in interest rates worldwide, officials and analysts say.

With the notable exception of Britain, European governments have continued to peg

their policies and currencies to Germany's instead of taking advantage of the lifting of tight exchange-rate limits to slash rates aggressively.

"The upshot is that their monetary policy, even reinforced, is now geared solely to the objective of exchange rate stability," Heinrich Matthies, the European Commission's deputy director-general for economic and financial affairs, wrote in the latest issue of the German bimonthly *Interconomics*. That policy goal has brought inflation and interest rates closer together than ever, a key requirement for advancing to economic and monetary union.

Moreover, early signs of an economic recovery, though a feeble one, and the slow but

steady reduction in German rates are reinforcing the determination of governments to hold the course and are increasing the likelihood of lower budget deficits, another key single-currency criterion.

"It does not look awkward anymore to envisage a move toward monetary union in 1997 or 1999," the two target dates specified in the Maastricht Treaty on European Union, said Bruno de Maigret, secretary-general of the Association for the Monetary Union of Europe.

Graham Bishop, an economist at Solomon Brothers in London, recently advised clients that there was "a significant probability" of a single currency among some European

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## U.S. Fear: Tokyo May Balk In a Showdown on Korea

By David E. Sanger  
New York Times Service

TOKYO — As Japan struggled to form a new government over the last two weeks, a long-brewing dispute broke out within its fragile governing coalition over an issue that has also seized the attention of the Clinton administration: If sanctions are imposed on North Korea or a military confrontation develops with it, is Tokyo ready to side fully with the United States?

That question was at the top of Secretary of Defense William J. Perry's agenda when he met Friday with Tsutomu Hata, who is to be formally approved as Japan's prime minister on Monday. Japanese and American officials provided little detail of the discussion, but Mr. Perry said after the meeting that he was certain "we would want and we would get full support" from Japan.

Several American officials have privately expressed their doubts, however, saying the issue is so sensitive in Japan that it could bring down the shaky government.

The arguments over North Korea have quickly come to symbolize a much broader debate touched off by Japan's most powerful behind-the-scenes politician, Ichiro Ozawa, over whether Japan is ready to become a "normal nation." In his definition, that would include a willingness to join the United Nations or the United States in peacekeeping and perhaps in assuring regional security.

The Socialists, the biggest party in the coalition, have opposed that initiative, calling it a breach of Japan's "peace constitution," and have objected to any effort to cut off the flow of \$600 million to \$1.6 billion a year sent from Japan to North Korea, most of which comes from Korean-Japanese living here.

The major concern for the United States is whether it could use its bases in Japan to enforce an embargo or launch military action against the North in case of hostilities on the

Korean Peninsula. American military and diplomatic officials in Tokyo have been sketching out such scenarios for months, though they have said little about it for fear of undermining Japan's government.

Under existing Japanese laws and regulations, United States military forces are prohibited from using Japanese aviation fuel, Japanese hospitals or Japanese ammunition in their operations from bases here.

Moreover, under the 34-year-old security treaty between the two countries, the United States would not be permitted to run continuous combat operations from their bases here, and might not be able to use them to enforce an economic embargo against North Korea. American military planners say, Japan's own navy would not be permitted to resupply American forces at sea.

In recent weeks, Japanese officials have gone to some lengths to offer private assurances that if the North Korean situation worsens, laws and rules will quickly be changed. But American and some Japanese officials say they fear that the changes could come too late and would be quickly enmeshed in a heated national debate.

"They say they are with us," said a senior

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## Viewing Nixon, at Home and Abroad

By William Pfaff  
International Herald Tribune

PARIS — Throughout his political lifetime, Richard Nixon was a figure of bitter controversy and passionate emotion among Americans, and a cause of misunderstanding between Americans and foreigners. The misunderstanding abroad existed among those who admired him as well as those who hated him up until his death of a stroke Friday in a New York City hospital at the age of 81.

At the start of his career, his reputation in Europe was generally that of a villain, which he was not. Now he is generally considered abroad to have been a major statesman, and the victim

of political conspiracy; but that is not true either.

In his early political career, as a young congressman in the 1940s and the beginning of the 1950s, he was visible abroad only in connection with the Alger Hiss case, in the context of that wave of congressional investigations of the real and alleged Communist and fellow-traveling links of officials and prominent persons that today is given the summary, if inexact, designation of "McCarthyism."

In Western Europe, the Communist parties and Soviet propaganda agencies described Mc-

Carthyism as the rise of fascism in America. Mr. Nixon acquired the reputation abroad of a disreputable and dangerous rightist politician. This derived from a misunderstanding both of McCarthyism and of Richard Nixon.

McCarthyism was a revival of an old-fashioned American style of populist xenophobia, in the tradition of the anti-Bolshevik, anti-anarchist and implicitly anti-Semitic hysteria that followed the First World War, and the anti-immigrant and anti-Catholic movements of the 19th century. It had no connection to fascism. There has never been an American fascism.

The difference between Richard Nixon and

See NIXON, Page 6

## A Political Legacy With Lingering Echo

By David S. Broder  
and Thomas B. Edsall

WASHINGTON — In his long lifetime, Richard Nixon changed campaigning, changed the fundamental geography and demography of American politics, changed the Republican Party and changed the nature of the relationship between the legislative and executive branches of government and between the American people and their president.

He was responsible, among other things, for making both communism and crime central issues. He sanctioned the first televised presidential debates and starred in the first televised

"town meetings." He nurtured the Republican "Southern strategy" and played a crucial role in shifting the center of power in that party from Eastern progressives to Western conservatives. He brought the Republican Party back from

Richard Milhous Nixon, the most puzzling and fascinating politician of his time. Page 7.

the verge of extinction in the mid-1960s and plunged it into crisis in the mid-1970s. As a byproduct of his Watergate downfall, a new generation of Democratic legislators demolished the old power structure on Capitol Hill while prodding Congress to assert its powers.

Thousands of today's political figures, from Dan Quayle to Bill and Hillary Clinton, cut their political teeth working for or against Mr. Nixon.

All this and more is part of the political legacy of the man who died late Friday at the age of 81.

Knowing that he had neither the personality nor the appearance that would bring easy political success, Mr. Nixon developed a tactical intelligence about politics that — even in his post-White House years — made him a mentor to scores of ambitious younger Republicans.

He was one of the first politicians in the

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## The Bridge Beneath the Water

By Barry James  
International Herald Tribune

CALAIS, France — Even before its inauguration by Queen Elizabeth II and President François Mitterrand on May 6, the Channel Tunnel is chipping away at the indifference with which English and French regard each other across the Strait of Dover.

The \$15 billion tunnel now stands completed but idle as engineers carry out thousands of operational and safety checks. Already a year late, the Eurotunnel consortium will start building up freight and passenger services soon but full operations are still many months away.

Meanwhile, ferry companies are going all out to capture their market share and build up a war chest to fight the tunnel when it opens. One promotion during slack winter months was to

fill otherwise empty ferries by charging only £1 (\$1.50) for a round-trip. It means that residents in East Kent and northern France have been traveling back and forth by the tens of thousands, getting to know one another's shops, restaurants and habits.

The cliffs of Dover hover tantalizingly white on the horizon, yet until recently, many French people had never bothered to venture into the land of what they call the *rois-forts*. Now they come back laden with clothes, door knockers, wallpaper, and even — baguettes beware — English sliced bread.

Most Britons come to Calais with one thing in mind: They stock up on duty-free liquor on the ferry and can buy virtually as much beer and wine as they like in France at prices much lower than those at home.

Under European Union single market rules, EU residents are entitled to import as much liquor as they like for "personal use" provided

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### Newsstand Prices

Andorra.....9.00 FF	Luxembourg 60 L Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Caribbean.....1.400 CFA	Qatar.....8.00 Riels
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....2.00 R.
Greece.....900 CFA	Senegal.....900 CFA
Gabon.....900 CFA	Spain.....200 PTAS
Ghana.....300 Dr.	Tunisia.....1,000 Din
Ivory Coast.....1.120 CFA	Turkey.....T.L. 15,000
Jordan.....1 JD	U.A.E.....8.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mil. (Eur.) \$1.70



# NATO Is Prepared For Huge Air Attack Around Gorazde

By Rick Atkinson

**Washington Post Service**  
NAPLES — The North Atlantic Treaty Organization has developed a detailed plan for massive air strikes around Gorazde in an effort to crush Bosnian Serb military units and force the Serbian leadership back to the bargaining table, military sources said Sunday.

The air attacks, which would target at least two dozen ammunition storage sites, fuel dumps, command bunkers and gun emplacements within a 20-kilometer (12-mile) radius around Gorazde, could be launched immediately if Serbian forces resumed their shelling of the battered city, the sources said.

"The idea," an official said, "would be to make it something the Serbs would never, ever, ever want to experience again."

Such an intense and protracted bombing campaign, which could last over the course of several days, would mark a dramatic escalation from the pinprick, tit-for-tat attacks launched on April 10 and 11 in support of besieged United Nations forces in Gorazde.

NATO officials said Sunday that simply the threat of such wholesale bombing, which would require approval from senior UN officials, may have contributed to the Serbs' pullback from the outskirts of Gorazde.

Nevertheless, NATO planners recognize several potential pitfalls in broadening the air attacks, including the prospect that Serbian soldiers could retaliate against the 13,000 UN troops in Bosnia and the difficulty demonstrated in Vietnam and elsewhere — of forcing a recalcitrant enemy to negotiate by bombing him into submission.

NATO's highest authority, the North Atlantic Council, agreed Friday to authorize air attacks unless Serbian forces immediately halted their bombardment of Gorazde and withdrew all heavy weapons from a "military exclusion zone," extending for 20 kilometers from the town's center, by Wednesday morning.

NATO's plan for attacking Serbian targets around Gorazde has been developed by Lieutenant General Joseph W. Ashy, commander of NATO air forces in southern Europe, and his staff. General Ashy has nearly 200

NATO combat planes and support aircraft available at bases in Italy, France, Germany, Britain and aboard three carriers in the Adriatic Sea.

In recent months, that air fleet has been beefed up with ground attack planes such as the U.S. Air Force F-15E, which is capable of launching precision-guided munitions.

The massive attack envisioned in the current NATO plan reflects the philosophy of Admiral Leighton W. Smith Jr., NATO commander in southern Europe, that overwhelming force is more likely to achieve the desired political results than tentative, limited strikes, according to NATO sources. The sources said that philosophy was shared by Admiral Smith's recently departed predecessor in Naples, Admiral Jeremy M. Boorda.

Similar sweeping attacks have been drafted, if needed, to ensure the security of Bihać, Srebrenica, Tuzla and Zepa, other UN-designated "safe areas" where NATO has demanded the withdrawal of heavy Serb weapons within a 20-kilometer radius, according to military sources.

"But if it came to pass around Gorazde and it worked, there wouldn't be a need to do it anywhere else," an official said. Although Serbian anti-aircraft gunners demonstrated their ability to shoot down NATO jets last week by destroying a British Sea Harrier over Gorazde with a surface-to-air missile, NATO planners hope that a broad air campaign could be conducted with minimal losses.

In contrast to the close air support offered thus far, the intense attacks envisioned under the current plan would not require pilots to fly "up close and personal," as Admiral Smith recently put it, in coordinating their strikes with UN forward air controllers.

Yet the challenges of evicting Serbian forces within the exclusion zones around the safe areas are still formidable. Much of the terrain is mountainous and forested, affording opportunities for concealment to forces particularly adept at camouflage.

Although reconnaissance aircraft and satellites have taken thousands of photographs of Serbian positions, some potential targets, such as artillery pieces, are highly mobile and could be difficult to find.



A Serbian gunner taking advantage of a break in the fighting Sunday at Gorazde as the Serbs began pulling back their heavy weapons.

## Pullback Follows Russia's About-Face

By Michael Specter

New York Times Service

**MOSCOW** — In a diplomatic about-face, Russia dropped all objections to NATO's threat to bomb the Bosnian Serbs around Gorazde, and a few hours later the Serbs announced that a retreat had begun.

"The Bosnian Serbs' military command has criminally defied the elementary norms of humanity," Foreign Minister Andrei V. Kozyrev told the Interfax News Agency. "The only alternative to air strikes is compliance by the Bosnian Serbs with their commitments."

Serbian leaders appeared to be complying Sunday with the North Atlantic Treaty Organization ultimatum to pull back troops and weapons.

For the Russians, who have struggled to play an essential role in efforts toward peace in Bosnia, the retreat will be seen as a triumph. Nothing else, neither threats nor diplomacy,

stopped the shelling, so the conclusion that the Russians' statement was influential is hard to avoid.

On Friday, Mr. Kozyrev warned NATO not to consider air strikes against the Serbs and threatened to withdraw the 800 Russian peacekeepers.

The reversal underlines the juggling act Russian diplomats have performed for two years. Russia has always had strong ties to the Serbs and now, as Russia becomes visibly more nationalistic, it has tried to avoid jeopardizing those ties. Nor can the government afford to anger centrists and rightists in Parliament.

On the other hand, President Boris N. Yeltsin does not want to alienate the West.

At times, the balance has been impossible to maintain. Even Saturday, as Mr. Kozyrev was denouncing the Serbs, his ambassador to the United Nations, Yuli M. Vorontsov said the UN decision to extend its bombing threat be-

yond Gorazde to all other UN "safe areas" was unnecessary.

Mr. Kozyrev's fierce new position, so different from ones he has held, also shows a split between the conservative Defense Ministry and the Western-leaning Foreign Ministry.

As soon as he and his special envoy for the Bosnian region, Vitali I. Churkin, realized that their diplomatic effort was not taken seriously by the Serbs, both men began to denounce them. The Defense Ministry, on the other hand, argued that opposition to the Serbs was not acceptable.

The newspaper Iztvestia, however, said Saturday in an editorial, "Our professional patriots always talk about 'special relations with Serbia.'"

"What does that mean?" it added. "Approval of everything the Serbs do, even if they commit a crime?"

## Bomb Serbs' Bridges, Moynihan Urges

By Kathy Sawyer

Washington Post Service

**WASHINGTON** — The administration's policy in Bosnia came under blistering assault by a prominent Democrat on Sunday as Senator Daniel Patrick Moynihan called for the immediate lifting of the UN arms embargo against the former Yugoslavians and the bombing of Serb bridges on the Danube River.

"We are in the process of shredding the entire legal order we put into place at the end of World War II," the New York Democrat said in an angry appearance on an ABC news program.

He called for the embargo on Bosnian Muslims to be lifted "absolutely, unilaterally and immediately." It should not be necessary for the United States itself to go to war in Bosnia, he said. "We should give the Bosnians the chance to defend themselves" in the face of

aggression by the Serbs that is "criminal," he added. "It's genocide."

He said the Serbs had "invaded another country, a member of the United Nations, in violation of the charter."

"Then they have specifically associated themselves with genocide, in violation of the genocide treaty, of which we are a member, and is our law, and in Gorazde, the fourth Geneva convention on the treatment of civilians during wartime."

The Serbs leaders, he said, should be tried as war criminals. These assertions by an influential member of the Foreign Relations Committee could foreshadow a move by the Democratic-led Congress to try to force President Bill Clinton to adopt a more activist approach. A debate on the issue in the Senate last week showed a

lack of enthusiasm for the president's policy but disagreement as to whether the United States should become more deeply involved in the conflict.

Mr. Moynihan disputed administration claims that the United States did not have the right to lift the arms embargo without UN approval. Noting that he had served as president of the UN Security Council, he said the current dilemma "was specifically contemplated as a problem when the charter was drafted at Dumbarton Oaks, about 15 blocks from here, and that is why Article 51 says 'nothing in this charter shall interfere with the inherent right of individual or collective self-defense.'"

"It's a question of law," he said. "We have the inherent right under Article 51 to lift the embargo."

Asked whether he would favor bombing Belgrade, the capital of

Serbia, he responded: "I would not have a bridge left on the Danube. Not one bridge. I wouldn't bomb the city."

Mr. Moynihan at one point apologized for his barely controlled outrage, commenting to the program host, David Brinkley, "Maybe I should calm down here."

His vehemence contrasted starkly with the earlier appearance on the same broadcast of Secretary of State Warren M. Christopher. Appearing unperturbed and cautiously optimistic about the Bosnian situation, he said the NATO ultimatum issued Friday "seemed to be working."

He restated the administration position that Washington did not have the right to lift the arms embargo on its own, noting that there was an "explicit UN resolution" to apply the embargo to Bosnia.

**This Week's Holidays**  
Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

**MONDAY:** Australia, Egypt, Italy, Macao, New Zealand, Nicaragua, Portugal, Sri Lanka, Sweden, Taiwan.  
**TUESDAY:** Afghanistan, Tanzania.  
**WEDNESDAY:** Sierra Leone, Slovenia, Togo.  
**FRIDAY:** Cyprus, Denmark, Ethiopia, Greece, Japan, Lebanon, Sierra Leone.  
**SATURDAY:** Netherlands, Zaire.

Sources: J.P. Morgan, Reuters.

## BLAST: Bomb in Johannesburg

Continued from Page 1

lature, said that there had been "lots of threats" during the final days of campaigning but that no one telephoned a warning before the explosion.

Authorities said no groups had taken responsibility for the attack. Mr. Sekwale, in a news conference, called on ANC supporters to remain calm in the face of what he called "this cowardly action intended to frighten away voters."

He said there was not enough information to suggest who was responsible, but stressed that the motive was "clearly intended to send indications of negativity throughout the country and abroad so people will be discouraged about democracy in South Africa."

Mr. Sekwale sought to reassure voters who might be afraid to go to election stations Wednesday and Thursday because of the bombings, saying that there would be "lots of protection" from security forces, the Independent Electoral Commission and international observers.

Within the first hour after the explosion at 9:50 A.M., people were filling out applications for voter identification cards at the Central Methodist Church, just three blocks away. "It's part of life here," said Kenneth Beja, 25, as he waited for his card. "I'm not scared. I'm going to vote."

But in fact, even though there was a series of about 40 bombings in January and February attributed to rightists, large-scale car bombings are unusual in South Africa.

While Mr. Mandela concentrated on the Natal stronghold of the Zulu-based Inkatha Freedom Party, meanwhile, the Inkatha president, Chief Mangosuthu Buthezi, held his first and only rally in Soweto, the giant township south of where the ANC is expected to win more than 80 percent of the votes.

As about 8,000 supporters chanted, Chief Buthezi blasted the ANC for "unrealistically and unfairly" raising the expectations of the masses.

## WWII Troops To Jump Again In Normandy

The Associated Press

**SAN DIEGO** — World War II American paratroopers went on a go-ahead to commemorate the 50th anniversary of D-Day by making their jumps all over again.

About 33 members of the Return to Normandy Association will be allowed to jump at the conclusion of an elaborate ceremony in France on June 5, Lieutenant Colonel Alfred Lott said at the Pentagon.

"We are all excited and pleased that the Pentagon has finally blessed us to do it," said Max Gurney, a sergeant during the war. "We will jump right after the young ones."

For liability reasons, the Pentagon was reluctant to have the vets join young troops. It demanded the older men, all in their late 60s to mid-80s, practice first. They did in February. After two days of retraining, the 33 men suited up and jumped at 3,000 feet (about 1,000 meters), landing safely in a muddy San Diego field.

## Italy Parliament Speaker Draws Fire For Her Praise of a Mussolini Policy

Reuters

**ROME** — The new leader of the lower house of Parliament, Irene Pivetti, was facing a flood of criticism Sunday for perceived anti-Semitic and pro-fascist remarks.

Under fascism, women were banned from most high-level jobs and had no right to vote. They received state aid for having several children.

"Everyone knows Mussolini's family policies were based on the very dictates of war," said Beppe Del Colle, a commentator on Catholic affairs.

"The family was simply understood as the factory of the future fighters of an imperial Italy," he said.

Miss Pivetti has said her remarks "referred to the prewar social reality in Italy" and were taken out of context.

But they added to concern over the politics of the rightist Freedom Alliance led by the media magnate Silvio Berlusconi, which won last month's general elections.

Its main partners include the Northern League and the neo-fascist National Alliance, whose leader, Gianfranco Fini, last month called Mussolini "the greatest statesman of the century."

resistance fighter, said Miss Pivetti needed a history lesson.

"If fascism, whose 'good things' she praises, had had its way we wouldn't even have a Parliament," Miss Anselmi said.

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Miss Pivetti, a former journalist, has been a member of Parliament since 1992.

Her critics regard her as a religious radical whose comments have bordered on the anti-Semitic. Some of her remarks were cited last year by the World Jewish Council in a report on anti-Semitism.

"I think it's time the world knew about Irene Pivetti," said Tullia Zevi, president of Italy's Union of Jewish Communities. "I would call her a fundamentalist Catholic whose views on the church's dialogue with Judaism and other religions are out of date."

Mrs. Zevi recalled Miss Pivetti's disagreement with Pope John Paul II when he proclaimed Jews the "elder brothers" of Christians.

"Pivetti's comment was: 'I don't see why people who belong to a false religion should be considered our elder brothers,'" she said.

Miss Pivetti has defended herself by saying that no good Catholic denies his religion is the one true faith.

The Anti-Defamation League of B'nai B'rith said Miss Pivetti's views predated the 1965 Second Vatican Council, when the Vatican repudiated the notion of collective Jewish guilt for the crucifixion.

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# THE AMERICAS / A STRATEGY OF OPENNESS

## Congressmen Vow Action on Quality Of Air in Jetliners

By Martin Tolchin  
New York Times Service

WASHINGTON — Two chairs of congressional panels have vowed to take action to improve the quality of air in airline cabins.

One of them, Senator Patrick J. Leahy, Democrat of Vermont, who is chairman of the agriculture committee, said that he had undergone the "very unpleasant experience" of being in an airplane that was sprayed with an insecticide before it landed in Australia, one of more than 20 countries requiring such spraying, and would introduce legislation to protect Americans who travel to those countries.

At the same time, Representative James L. Oberstar, Democrat of Minnesota, who is chairman of the aviation subcommittee of the Public Works and Transportation Committee, scheduled a hearing for May 18 on the problems of air quality in airline cabins on domestic flights.

He said the hearings would focus on the health effects of a 50 percent reduction of fresh air in airline cabins that occurred in the late 1980s, and whether this unduly exposed passengers to bacteria, viruses, carbon dioxide and fumes from materials used to construct or maintain the cabins.

The hearings will also study insecticide spraying and whether smoking should be permitted on international flights, Mr. Oberstar said. "We need to improve air

quality in airline cabins," he said. Deaths from car accidents were down.

Mr. Leahy noted that countries in the Caribbean, South American and the South Pacific require the spraying of d-phenothrin 30 minutes before a flight lands to kill disease-bearing insects.

With the ventilation turned off, he said, flight attendants walk down the aisles spraying the insecticide, which then settles on the skin and clothing of passengers and crew and is inhaled.

The U.S. Environmental Protection Agency has said that even though the insecticide has low toxicity to humans, the spraying could create medical problems for people with allergies, chemical sensitivities, asthma and other respiratory problems.

Flight attendants and passengers have complained of headaches, nausea, fatigue, seizures and, in extreme cases, memory loss, a reduction in cognitive skills or a depressed immune system.

"I would like to see public opinion and the power of persuasion and the practice," Mr. Leahy said, "but if that doesn't work, I think we have a legitimate right to enact legislation to protect Americans who travel."

He said he was seeking a worldwide campaign warning of the perils to the health of passengers and crew members from spraying insecticide.

Mr. Leahy also said that he wanted all tickets to countries requiring such spraying to bear a large yellow label saying, "Warning: You will be sprayed with pesticide during this flight."

## Future Darkens For Teenagers

WASHINGTON — More American teenagers are having babies, getting arrested or being killed by bullets each year, according to a survey released Sunday.

The annual "Kids Count Data book" said that more than 6 percent of the children under 18 — or nearly 4 million — are growing up in distressed neighborhoods where their future is gloomy.

Among the findings of the year-long study was that the number of babies born to single teenagers jumped 20 percent between 1985 and 1991. Violent death among teenagers aged 15 to 19 were up 13 percent from 1985 to 1991, while

## White House Counsel's Steady Hand

By David E. Rosenbaum  
New York Times Service

WASHINGTON — Six weeks after Lloyd N. Cutler joined the staff to stanch the Whitewater hemorrhage, his influence on White House strategy became unmistakable last week.

That was when Hillary Rodham Clinton broke her silence and fielded every question reporters could come up with about her family's finances. It was a clear manifestation of the promise Mr. Cutler made when he became White House counsel to make public all the facts on hand about the Clintons' investments.

After the session, Friday, Mr. Cutler disclaimed credit for Mrs. Clinton's decision to go public, saying in a telephone conversation that everyone at the White House agreed that it was the proper course.

But others on the staff said it would never have happened before Mr. Cutler arrived and impressed on the Clintons the importance of openness.

In an interview last week, Mr. Cutler told how he thinks the Whitewater story will end. "It will just peter out," he said. "It will leave everybody somewhat dissatisfied, because we're not going to get a jury verdict in the end, guilty or not guilty. There will be questions that can't be answered. But people will lose interest. I don't see anything that even remotely resembles Iran-contra, Watergate, any kind of misconduct while in office."

At first, his strategy of openness led to embarrassing slips, especially when the White House account of Mrs. Clinton's commodity trading kept changing day after day. Mr. Cutler said such mistakes were the inescapable consequences of trying to get information out quickly.

"You're damned if you do and damned if you don't," Mr. Cutler said.

"These 15-year-old facts are so complicated and come from so many different record sources that it's very difficult to get all of it straight," he said. "And every day you have to compromise between the press's demand — they're going to write the story anyway, and television has to meet its deadlines — and the lawyer's desire to make sure you have it absolutely straight and have exhausted all the factual material you can get your hands on."

John D. Podesta, the White House staff secretary who has



One result of the influence of Lloyd N. Cutler: Hillary Rodham Clinton at her news conference.

been assigned to field press inquiries on Whitewater, said the mood in the White House had changed for the better since Mr. Cutler arrived.

The president's young advisers had confidence that Mr. Cutler was steeped in the ways of Washington and knew how to deal with problems like Whitewater, Mr. Podesta said.

Although no one will say so for attribution, the prevailing view on the staff is that Mr. Cutler's predecessor, Bernard W. Nussbaum, inadvertently damaged the Clintons by appealing to their predilection for secrecy about their financial affairs. Mr. Cutler, it is said, convinced the Clintons that they needed to make everything public, the sooner the better.

The most Mr. Cutler would say about this was that questions

about the Clintons' personal finances had perhaps been taken too seriously in the past by their staff. "If they'd taken it more lightly, we might have been better off," he said.

Mr. Cutler arrived at the White House on March 8 as developments in the Whitewater case were sprouting like dandelions.

By the time Mr. Cutler got to the White House, several administration officials had been subpoenaed to testify about the meetings before a grand jury. Mr. Nussbaum, who attended some of the meetings, had resigned.

When his appointment was announced, Mr. Cutler declared, "In government, as in other aspects of life, trust is the coin of the realm, and I pledge myself to do what I can to assure that trust is maintained."

He signed on to work without

pay as a "special government employee," which means that he can continue to draw a salary from his law firm, is not subject to some of the conflict-of-interest rules and can serve only 130 working days, a period that will last until late summer.

From time to time, Mr. Cutler has dipped into other issues. He is heading the White House staff search for a new Supreme Court justice to replace Harry A. Blackmun.

He helped develop the legal rationale for the administration's new policy of expanding police searches for drugs and weapons in public housing projects.

But most of his time has been spent on Whitewater, he said, and he assumes that that will continue through congressional hearings on the matter, which he said he expects will begin in June.

## POLITICAL NOTES

### Perot Gets Back Talk From Grass Roots

WASHINGTON — Just two months after holding its first national leadership convention, Ross Perot's United We Stand America has been shaken by a series of internal battles that have led to the removal or the resignation of at least six elected state chairmen and threaten elected leaders elsewhere.

Power struggles between the grass-roots, elected leadership and the Dallas-led paid staff have left once-loyal followers of Mr. Perot disappointed and disillusioned and threaten to weaken his organization as an effective political force.

Florida, Tennessee, Vermont, Rhode Island, Washington and Alaska have changed state chairmen since initial state elections were held. Another power struggle is under way in California. "The organization was created in large measure by active and decent and good people all over the country," said Mark Benson, who was a congressional district leader in Florida before quitting. "But at this point, Perot, in fact, really does want to put together an organization of automotons who are out there as window dressing, whom he can use for credibility but whom he does not need for anything else."

Sharon Holman, Mr. Perot's chief spokeswoman, acknowledged there have been problems within the organization, but played down their significance. "There is some settling out, I wouldn't question that," she said. "But I would tell you that in 45 states we have wonderful things happening."

Mr. Perot's staff recruited state directors to manage operations in each of the 50 states. These state directors, paid by the Dallas headquarters, were responsible for organizing elections that produced a board of directors and a state chairman in each state, along with congressional district coordinators in almost every district in the country.

But the elected leaders complain that any attempts to make changes in the organization or to initiate programs not already approved by Dallas have been met with resistance or silence. Some claim they are victims of character assassination.

On Feb. 6, with the state leaders standing with him, Mr. Perot told reporters: "This is their organization. They run it, they control it, they make decisions."

But Sandy Mellen, who resigned as Rhode Island chairman April 11, said those words seem empty today. "If you're going to do it for the cameras, you ought to actually do it," she said. (WFP)

### Senator Steams Over Astronauts' Trips

WASHINGTON — Astronauts at the Johnson Space Center in Houston have flown two-seater supersonic jets to Colorado Springs on weekends during ski season as well as to New Orleans and Fort Lauderdale, Florida, according to the NASA's inspector-general.

While the astronauts said they were fulfilling the flight time required of them each month, some lawmakers criticized the flights to resort cities, which cost about \$2,000 an hour.

Senator Joseph I. Lieberman, the Connecticut Democrat who is chairman of the Governmental Affairs subcommittee on government regulation and information, said the audit report, which was prepared by the inspector-general and made public in February, raises questions about the purpose of the trips.

"There ought to be more comprehensive regulations and requirements to document the flights that are being taken to make sure they are solely for proficiency training and not personal use," he said.

Carla Corcoran, deputy assistant inspector-general of the National Aeronautics and Space Administration, who oversaw the audit, said his office had no evidence of "joyriding." (NYT)

### Quote/Unquote

Bill Clinton addressing the 80th annual White House correspondents' dinner about what he has learned from the Whitewater affair: "Do not borrow money, do not lend money, do not make money and for goodness sake, do not lose money." (Reuters)

## Q&A: Toward Greater Stability in Peru

Efraim Goldenberg Schreiber, the prime minister of Peru, was a businessman specializing in import-export trade until he was asked last summer by President Alberto Fujimori to join the government as foreign minister. Mr. Goldenberg, who has been prime minister since February, will be in Europe for a series of official visits next month. He discussed Peru's economic and political outlook with Alan Friedman of the International Herald Tribune.

Q. In April 1992, President Fujimori suspended Peru's constitution, dissolved the National Congress, imposed censorship and arrested journalists and politicians. Under the new constitution he will be allowed to run for re-election next year to a second five-year term. What can you say to those who worry about the state of democracy in Peru?

A. You have to understand that in Peru we had 25,000 people killed by terrorists between 1980 and 1990. We needed to take extraordinary steps. Since April 1992 we have had municipal elections, elections for a new congress, and then last November we had a referendum and the new constitution was approved.

Q. The leader of the Shining Path terrorist group, Abimael Guzman, has been arrested, tried, convicted and sentenced to life in prison. Yet a bomb was thrown at the U.S.

Embassy in Lima four months ago. Where are you on controlling terrorism?

A. It is a thing of the past to a great extent. Sure, we still have some terrorism problems, but 90 percent of the terrorist leaders are in jail. Peru is no longer a country under terrorist threat.

Q. But what about that recent bomb in Lima?

A. It was hardly a bomb. The U.S. Embassy was hardly touched.

Q. Is Shining Path still working with the drug lords in Peru?

A. Probably, yes, and that problem may remain. But we don't really have a drug problem in Peru. You have a drug problem in the United States and Europe. It is a problem of consumption.

Q. But what are you doing about the cocaine production?

A. You must understand that the coca leaf is a product that has been grown for centuries in our country. These are small farmers who hardly make a living. We are working on a crop substitution program.

Q. Let's talk about economic reform. Foreign investors are suddenly coming back to your country. And you are in the process of privatizing your state telephone company. What is your status report?

A. We raised \$2 billion for just 35 percent

of the telephone company. We were able to do this because terrorism is not a problem anymore. We are building a sound economic base, and we have financial stability for the first time in many years.

Q. Yet your policy was supposed to be to transfer privatization revenues to social development programs to alleviate poverty. Until now your structural adjustment program with the International Monetary Fund allows only \$450 million of privatization money to go to the anti-poverty program. How can you do more?

A. The minister of economy and finance, Jorge Camet, ended negotiations with the IMF in Washington last week. The IMF now accepts that Peru can spend a total of \$875 million on social investment projects.

Q. Isn't the structural adjustment program causing more poverty by forcing numerous layoffs in the public sector?

A. We are in this shape because of decades of an overly regulated economy. Now we are opening up. Of course we need fiscal austerity. We need cuts in the bureaucracy and state-owned companies.

And we have to control inflation. This year our inflation target is around 20 percent. In 1990 the inflation rate was 7,650 percent. In 1991 it was 150 percent. In 1992 it was 70 percent, and last year it was 39 percent.

## Cuba Eases Rules For Exiles in Bid To Improve Ties

HAVANA — Cuba's foreign minister has promised to make it easier for exiles to visit and for their children to study on the island.

Foreign Minister Roberto Robaina spoke to Cuban exiles and to the United States and 28 other countries Saturday at the first meeting between exiles and representatives of Fidel Castro's government since 1978.

Mr. Robaina said Cuba would stop requiring exiles who left legally to wait five years before they can return. Those who leave illegally apparently will still have to wait five years.

He also said "a small number" of emigrants' children will be able to study at Cuban universities, though they will have to pay costs. Such education is free for Cubans on the island.

Cuba hopes the three-day conference, which ended Sunday, will improve relations between the Communist government and about 1 million exiles. Mr. Robaina said bringing consular services closer to Cuban exiles in the U.S. depended on Washington, which has a wide-ranging embargo against Cuba ranging from the 217 exiles attending the conference from the United States. They included men who once organized guerrilla raids against the Castro government.

## Away From Politics

• The scheduled launching of a Titan 4 rocket carrying a secret military payload was put off because of bad weather, the U.S. Air Force said. The blastoff was rescheduled for Tuesday. Published reports say the rocket is carrying a \$1 billion electronic eavesdropping satellite.

• A bus swerved off a highway in the Adirondack mountains, killing a passenger and injuring 21. Most of the passengers, all women and children, were returning to New York City after visiting inmate relatives at Dannemora prison.

• Hemophiliacs who were infected with the AIDS virus through blood-clotting products have been refused permission by a New Jersey judge to sue as a group. The lawsuit is believed to be the first attempt at class-action status on that issue.

• The day before he was in danger of losing his job as president of Howard University, Franklin G. Jenifer was named president of the University of Texas at Dallas. This ended debate over his increasingly embattled tenure at Howard.

• The doctor whose clinics perform as much as 70 percent of the abortions in Mississippi, Thomas W. Tucker, was found guilty of professional misconduct, and the state medical board suspended his license for a year. He was found, among other things, to have allowed workers who were not doctors to perform preliminary abortion procedures while he was absent.



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## Taking the Time To Ensure Safety

### Terrorist Attacks and Fires Present the Greatest Risks

International Herald Tribune

CAHAIS, France — The Channel Tunnel, one of Europe's biggest construction projects, is also its biggest security headache.

The first few months of operations in the tunnel could be vital to its success, since even the smallest incident is likely to have a large psychological effect.

A few months ago, for example, a British tabloid newspaper ran an alarmist headline, "Tunnel Melt-down!" over a story about a minor short-circuit. That was not encouraging to potential passengers apprehensive about riding deep under the seabed.

A recent report by the Research Institute for the Study of Conflict and Terrorism, in London, gave the tunnel top marks for safety. Its author, Richard Clutterbuck, called the tunnel "far more secure than the London Underground railway system."

Eurotunnel, the British-French consortium, has spent more than \$171 million on security and says safety is its top priority. It has delayed introducing full service in the tunnel for several more months, partly to allow for the completion of exhaustive checks on the system.

The size and symbolic value of the project make the tunnel an obvious target for terrorist organizations like the Irish Republican Army. The British government recently announced that it would call for automatic life imprisonment for anyone found guilty of attacking the tunnel.

Eurotunnel officials will not discuss measures they have adopted to combat terrorism.

Because the tunnel has a single entry and exit, Mr. Clutterbuck said, there is more incentive for terrorists to "grab the headlines by blocking it, by a terrorist act, by sabotage or by a hoax call."

As in any complex underground system, the biggest danger is from fire and toxic fumes. There are 150 kilometers (93 miles) of tunnels, including separate ones for each direction, and a central service tunnel.

In the event of a serious fire, passengers could be evacuated through the central service tunnel, which is protected by fireproof doors.

Some chemicals, nuclear material and other potentially dangerous materials will be banned from the tunnel.

There will be a risk of fire from the fuel in cars, buses and trucks, which will be whisked through the tunnel on trains capable of traveling up to 160 kilometers an hour.

Passengers will remain in their

cars during the journey, a fact that has been strongly criticized by the firemen's union in Britain and by the ferry companies, which since 1974 have been obliged to separate passengers from their vehicles during the crossing.

Each 800-meter-long shuttle train will carry six crew members to make sure, among other things, that passengers do not smoke.

Standard procedure in case of a fire would be to get the train into the open air as soon as possible. The closed shuttle wagons have fire doors designed to resist flames for enough time to get to special locations where fires can be smothered with foam. If a serious fire erupted and a train had to stop, crew members would tackle the blaze by evacuating passengers and flooding the area with halon gas.

If an explosion occurs, the blast would follow the path of least resistance — the tunnel itself — rather than destroy the tunnel lining, experts say. Trains will travel between concrete guides to ensure that even if they derail, they cannot topple over.

Every coal miner knows that the likeliest cause of death underground is not flame but toxic fumes, such as odorless carbon monoxide, which can race through a tunnel faster than a man can run. To combat this danger, the service tunnel is slightly pressurized to keep dangerous gases out, while the system is equipped with ventilators to bring clean air in.

Other risks being considered include:

- Flooding. Experts say this is highly unlikely because the three tunnels that make up the system were drilled through stable chalk deep beneath the seabed. Rock extracted from the Dover end was so dry that it had to be doused with water to keep down dust.

• Earthquakes. The Channel is not a tectonic zone, but the possibility of quakes was taken into account in the tunnel design.

"Even if there were an earthquake or a large explosion in the tunnel or on the seabed, the chalk marl would seal itself without letting in the sea," Mr. Clutterbuck said.

• Rabies. Britain is free of rabies and France is not. To prevent any animals slipping through the strict British quarantine laws, Eurotunnel has sunk fences deep in the earth and equipped the tunnels with "stun mats" to immobilize animals that get through the outer defenses. Experts say the greater danger is from domestic pets imported illegally by passengers.

—BARRY JAMES



A train heading into the tunnel on the French side for a test run. Officials are preparing for the May 6 inauguration ceremonies.

## In the Tunnel's Future, Another Tunnel

By Erik Ipsen

International Herald Tribune

LONDON — What will be the Channel Tunnel's impact 25 years from now?

In a quarter-century, Paris and Brussels are expected to be only a shade more than two hours away from London by rail. As many as 15 million people will be making the trip every year — up to 800 a train on 60 trains a day.

By then, tourists and businessmen bound for overnight stays on the Continent will rub elbows with a new species, the trans-Channel commuter.

"The tunnel will be a physical manifestation of European Union," said Sir Keith Speed, chairman of the British parliamentary committee on the Channel Tunnel.

But will it be much else?

On the eve of the May 6 opening ceremonies for the first, fixed, all-weather link between Britain and the Continent, experts agree that in 25 years the tunnel will have been a success. But will it live up to its promotional hype?

"I think the Channel Tunnel is a bit like 1992 and the promise of a single European market," said Alain Guyomarch, deputy director of the European Institute at the London School of Economics.

"It was thought that 1992 would change the way people live, and it didn't."

"The fact is that for all the hoopla surrounding the tunnel, its actual physical impact is limited," he said. "First of all, by most estimates it will simply provide an

alternative to existing ferry and airplane services. In other words, it will divert traffic, not create it."

Eurotunnel, the company that holds the license to run the tunnel, estimates that it will increase Channel passenger travel by only 5 percent, and freight traffic not at all.

"It will not completely revolutionize trade with Europe," said Richard Turner, policy director with the British Freight Transport Association. "First of all, it doesn't have the capacity and, secondly, it is only in one place."

Even at peak capacity, the tunnel could only handle a quarter of the total freight moving between Britain and Europe. Also, its route from the south of England to northern France is well out of the way of the traditional heavy flow of industrial goods between the British Midlands and northern Europe, most of which moves by ship.

But by 25 years from now there will very likely be a massive new construction project — a second Channel tunnel.

"If all the growth figures are right then the tunnel will be approaching its capacity in another 20 years," said Gwyn Prosser, the head of European affairs of the Kent County Council. The county is the site of the tunnel's western terminus, in Folkestone.

While the tunnel is unlikely in 25 years to have sparked a revolution in transport, lifestyles or politics, its impact will nonetheless be huge, especially in Britain. With it, the British gains its first all-weather link to the markets, the

business centers and the tourist destinations of the Continent. For Continental long accustomed to easy travel between their own nations, the prospect of quick access to Britain is not that big a factor.

One major effect of the tunnel is that an increasing number of international companies may be moving to Britain.

Carol Pauw, head of global transportation at McKinsey & Co. consultants in Amsterdam, predicts an economic rebalancing of Europe. The mere existence of a fast rail link beneath the Channel, he argues, will shift Europe's economic focal point westwards.

"If I were sitting in a board room in Singapore, New York or Tokyo," Mr. Pauw said, "I would now be looking at southern England as my entry point into Europe."

He predicts a huge flow of "brain industries," such as computer software and other high-technology companies into the area to take advantage of the ease of access to vast Continental markets from an English-speaking base.

Just as major airports have become magnets for everything from hotels and conference centers to distribution and service organizations, regional terminals like Ashford on the English side of the Channel and Lille on the French side are likely to see major influxes of new businesses.

One key question concerns the cultural and political impact of the tunnel. Many observers predict that easier, more-frequent Channel crossings will lay to rest

Britain's island mentality and its often uneasy relations with the rest of Europe.

"I think in 25 years we will realize that our future does lie with the rest of the European Union," said Peter Snape, a Labor Party member of parliament who co-chairs the Channel Tunnel committee.

As Britain finally draws closer to its Continental neighbors, Mr. Snape also foresees a change of its so-called special relationship with the United States. "Maybe we will stop gazing wistfully across the Atlantic at what might have been," he said.

But it is as a commercial competitor that the tunnel will likely achieve its greatest impact — one that promises to reach far beyond its own customers to encompass all those traveling between Britain and the Continent.

By offering an alternative to ferry services and airlines, the tunnel will have a profound impact on both the quality and pricing of its rivals' operations. That change is already evident at the ferry companies operating out of Dover and Calais, which have cut prices and upgraded the quality of their services.

The impact on the airlines has yet to be felt but most experts predict it will be great. Pam Williams, a spokeswoman for BAA, the privatized operator of the three main London-area airports, said the airports expected to lose one third of their passengers bound for Brussels and Paris to the Channel Tunnel. Eurotunnel puts that figure at 50 percent.

## Rwanda Talks Fail To Get Started as Fighting Rages On

The Associated Press

NAIROBI — Rebel and government forces exchanged heavy mortar and gunfire in the Rwandan capital, Kigali, on Sunday, and government envoys failed to show up for negotiations in Tanzania.

"The fighting has been exceptionally heavy today," said Abdul Kabia, a United Nations spokesman in Kigali.

A Red Cross official, quoted by Radio France Internationale, said Sunday that massacres were continuing in Rwanda's second-largest city, Butare, 75 kilometers (45 miles) southwest of Kigali. The report was monitored by the BBC.

"The watchword is the elimination of those who are considered enemies, and no one is spared: children, wives, babies," said the Red Cross official, who was not identified.

Mr. Kabia, interviewed by telephone from Kigali, said government representatives did not show up in the northeastern Zaire town of Gombe on Saturday, where a UN plane was waiting to take them to negotiations.

He said military officers in Kigali told the United Nations on Sunday that they were unable to contact officials in Gitearama, 38 kilometers southwest of Kigali, where the government fled the fighting two weeks ago.

"There will be no talks for sure," said Kassim Mwawado, a Tanzanian Foreign Ministry official in the northern Tanzanian town of Arusha, where the talks were to be held. He said the representative of the rebel Rwandan Patriotic Front had just left the town.

President Ali Hassan Mwinyi of Tanzania invited Rwanda's government and the rebels to talks to end the carnage, which has claimed the lives of about 100,000 people.

Some 2 million Rwandans have fled their homes, and thousands more are barricaded in buildings. The violence began a day after the presidents of Rwanda and Burundi died in a mysterious plane crash in Kigali on April 6.

The fighting is between government forces, dominated by the majority Hutu, and the rebels, who are mostly minority Tutsi. Hutu and Tutsi have fought for political supremacy since the country's independence from Belgium in 1962.

The rebels declared a unilateral cease-fire to begin midnight Monday on condition that the government end all killings in areas it controls within 96 hours.

The rebels also demanded that the government accept an international inquiry into the killings and allow those found guilty to be tried. Mr. Kabia said 32 foreigners, who had been under the protection of the Red Cross, were evacuated to Kenya on Sunday.

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## CIRCUS: Moscow Business Risks

Continued from Page 1

He added, "Our claims are mostly of a moral nature."

The original contract was signed about two years ago and was welcomed by all.

A subsidiary of Delaware North, a company based in Buffalo, New York, formed a 20-year joint venture with the circus, with an option to extend it for 20 more years. The American company, which manages the Boston Garden and is the largest caterer for major league baseball, promised to upgrade the quality and variety of concessions at the circus.

Delaware North would receive 75 percent of all concession-related revenue — revenue from the circus itself was not involved — and a consultant the circus had hired to find a foreign partner would receive 7.5 percent, Mr. Chambers said.

Mr. Chambers acknowledged that the remaining 17.5 percent share for the circus was small, but he said it was not unreasonable given the risks of the venture.

Maxim Nikulin said his father, now 73, agreed out of naivete. Yuri Nikulin, a rubery-faced, sad-eyed clown and movie actor of unquestioned genius, "never had any connection to business," his son explained.

Things proceeded smoothly for more than a year. But in August 1993, the deputy circus director, Mikhail Sedov, was shot and killed outside his apartment. Both sides say his murder — a contract killing, according to the police — was not related to the joint venture. But Mr. Sedov had been the chief go-between.

"That was terribly damaging to us," Mr. Chambers said. "Lines of communication became very muddled. There were fights over his successor, competitions and jealousies, and we were the odd man out."

Last fall, the Moscow mayor, Yuri Luzhkov, issued a decree declaring the joint venture illegal. At a Jan. 31 meeting with Mr. Luzhkov, the U.S. ambassador, Thomas R. Pickering, expressed concern that Moscow's city government seemed to be encouraging efforts to force out the American company,

according to Delaware North. Mr. Luzhkov responded that the "Americans were making too much money," but said he hoped the contract would be renegotiated.

At that point, Delaware North was willing to renegotiate, giving the circus a larger percentage than the original 17.5 percent, Mr. Chambers said. But Jan Visser, managing director of Delaware North's European operations, said the circus's proposal was a non-starter: 85 percent to the circus, no exclusive rights to concessions for the joint venture and a term of only two years.

"Under such terms, we couldn't even recover our investment," Mr. Visser said.

To which, Maxim Nikulin responded sarcastically in a Russian newspaper interview. "You know, we are ready to cry like children, hearing such hard words from these real American guys." He added, "And they hadn't invested anything!"

At that point, according to Delaware North, began a "pattern of harassment, physical threats, attempted extortion and misinformation by our Russian partner, aimed at forcing us out." City tax inspectors froze the joint venture's bank accounts and sealed its office.

Americans working for the joint venture also received physical and other threats, causing the company to fly them home "on an emergency basis for their safety," the company said.

In an interview Friday, Maxim Nikulin dismissed many of these allegations. He accused Delaware North of oversteering its investment and hiding profits so it could take home a larger share.

Mr. Nikulin said the experience with Delaware North had taught him not to trust American companies.

"I'm fully aware that there are very few serious, respectable companies willing to take the risk of investing here," he said. "Their main goal is to make some money and disappear."

Mr. Chambers said: "I believe that many Americans, even today, are quite starry-eyed about the Russian market. We have encouraged them to be realistic."

## CHUNNEL: Anticipation and Anxiety on Both Sides as Island and Continent Prepare to Come Together

Continued from Page 1

they have paid the tax in the country of purchase.

Storekeepers and pubs in southeast England say they are being ruined by the flood of imports. But one supermarket chain, Tesco's, has set up stores in France to grab some of the business, and another British chain, Sainsbury's, recently announced plans to open a large supermarket in Calais.

The presence of large numbers of French tourists goes unremarked in the Kent cathedral city of Canterbury, but provides a welcome injection into the economies of depressed coastal towns like Folkestone. It recently laid on free coffees and bus tours and deployed French-speaking schoolchildren to make cross-channel travelers feel welcome.

The British government exudes aloofness and skepticism about the European

Union, but in Kent there appears to be a growing sense of neighborliness.

"East Kent now has more contacts with the north of France than with most other regions of Britain," said Gwyn Prosser, the Kent County Council's head of European affairs. Insularity, while it still exists, is breaking down as people realize that it is easier to go shopping in Calais than London, Mr. Prosser said.

Kent has joined with government administrations in northern France and Belgium to form the Trans-Manche Region, which is eligible for regional financing from the European Union. A spokesman for the county council said Kent had received £47 million in European funds since 1987 for projects that include cooperation on education, employment, tourism, transportation and the environment.

So far, the slowly developing sense of regionalism has not translated into any large movement of people from Britain to

the Continent or vice versa, according to real estate people.

Trevor Kent, a spokesman for the National Association of Estate Agents in Britain, said reliable transportation through the tunnel inevitably will tempt more Britons to buy secondary or even primary homes across the channel, especially professional people who can work from home and those who can take transport costs off their taxes.

The tide is unlikely to flow the other way, he said, because homes are much more expensive in southern England.

Mr. Prosser, on the other hand, said the idea of large numbers of people moving to France was "fantasy" because each side had deeply ingrained habits and traditions. Nor, unless the tunnel reduces its prices — ranging from £125 to £310 for a round trip with a car — could he see much incentive for people to live in one country and commute to the other.

English nationalists oppose the tunnel for shortening a distance "that we already find too short," to quote Lord Palmerston, a 19th century prime minister.

Many people in Kent oppose the tunnel for specific economic reasons. Like some in Calais, they fear it could turn their towns into backwaters. Much depends on how well the ferries meet the challenge.

Dover is the world's busiest passenger port, with 18.4 million departures and entries last year, and Calais is second, with about 16 million passengers in 1993. The tunnel will bypass both towns. High-speed trains will speed passengers between Paris and London in less than three hours, while shuttle trains will move cars and freight directly from one highway system to another in about one hour.

According to the Kent Impact Study on economic prospects, the opening of

the tunnel could, by creating overcapacity, close down some marginal ferry lines and result in up to 15,000 lost jobs.

But the tunnel is expected to create new business rather than merely take passengers and freight away from the ferries. The two ferry operators are introducing huge new ships that will enable them to offer a service that is at least as regular and almost as fast as the tunnel, as well as being significantly cheaper. No one is writing off the ferries.

Nor is the tunnel a mere connection under the Channel. It is the hub of a network of new highways on either end and is connected to Paris, although not yet to London, by high-speed railway track.

The tunnel "puts Calais and the surrounding region more in the heart of Europe," said Roland Delplace, the Calais representative of France's government planning agency.

## ADVERTISEMENT

### SOUTH AFRICAN ABROAD? HERE'S HOW TO VOTE IN FRANCE ON APRIL 26

If you're a South African living abroad or travelling overseas on business or holiday on April 26, you will be able to vote in the country's first fully democratic election.

Arrangements for voting facilities have been made through South African embassies and consulates where these are established. Where South Africa has no embassies or consulates, arrangements have been made for the use of other locations.

#### PERSONS ENTITLED TO VOTE:

The following persons are entitled to vote if they are 18 years or older:

- South African citizens or citizens of the TBVC countries
- immigrants with permanent residence permits or exempted from holding such permits
- former South African citizens living in South Africa
- the spouses or children of a South African citizen or former South African citizen residing permanently in South Africa

#### DOCUMENTS NEEDED TO PROVE ELIGIBILITY

Eligible voters should produce one of the following identification documents at the polling station:

- a valid South African passport
- an identity document, either the old dark blue version or the new green version
- identity documents issued by the TBVC states
- any of the three versions of reference books
- a green plastic identity card....

NOTE: i) No eligibility documents will be issued on 26 April 1994

ii) Persons arriving at the polling station without one of the abovementioned eligibility documents will not be permitted to vote.

#### VOTING DAY AND HOURS

Tuesday, April 26 has been set aside as the only day for voting at voting stations outside South Africa. These stations will be open between 07:00 and 19:00 local time.

#### VOTING PROCEDURE

Voting at foreign voting stations will be conducted in accordance with the provisions of the Electoral Act. Votes will be cast for both the National Assembly and Provincial Legislatures. Voters will be required to produce their voter eligibility identification, and have their fingers marked with ink.

The ballot papers will be sealed in separate envelopes which will be placed in a third before being returned to South Africa for counting. The envelopes for the Provincial ballot will have the name of the Province on it.

#### FOR MORE INFORMATION:

If you have any enquiries regarding the election:

- Call the Independent Electoral Commission toll free at (09-27-11) (401-2000) (international) or 0800-11-8000 (South Africa). The IEC's toll-free line is operational 24 hours a day, seven days a week.
- Call the SA Embassy, Paris: 45-55-92-37  
Or  
SA Consulate General, Marseille: 91-22-66-33

#### LOCATION OF VOTING STATIONS:

Voting stations in FRANCE will be situated at the following places:

SA Embassy  
59 Quai d'Orsay  
75007 PARIS

SA Consulate General  
408 Avenue du Prado  
13008 MARSEILLE

SOUTH AFRICAN INDEPENDENT ELECTORAL COMMISSION ADVERTISEMENT

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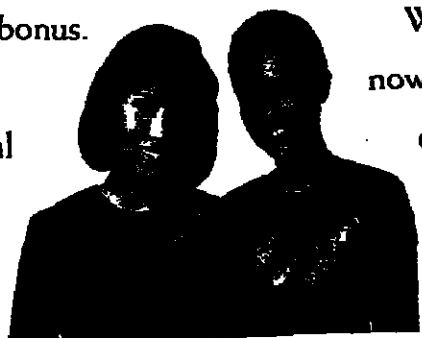
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## NIXON: A Different Picture at Home and Overseas

Continued from Page 1

Senator Joseph McCarthy was that the Hiss case involved serious accusations of espionage, although Mr. Hiss was eventually convicted only of perjury. Mr. Nixon's political exploitation of the affair was crude, but in his pursuit of Mr. Hiss he dealt with real issues, which was not the case for Senator McCarthy.

What became known as McCarthyism was the demagogic harassment of large numbers of people who had signed manifestos, joined demonstrations and belonged to Communist front organizations, or to the Communist Party itself, during the years when to do all of that was not only perfectly legal but politically correct.

Mr. Nixon's period as Dwight D. Eisenhower's vice president caused foreign observers to take a second look at him, as Mr. Eisenhower was all but universally admired abroad for sober and responsible conduct of American foreign policy.

It did not have the same effect in the United States, since Mr. Eisenhower's endorsement of his vice president's candidature for the presidency in 1960 was so lukewarm as to amount to a disavowal.

Mr. Nixon was elected president in 1968 because in the midst of the great and decisive American national crisis provoked by the Vietnam War, Mr. Nixon promised a

way out — and because he was a conservative, he seemed capable of providing that way out, which his rival, Lyndon B. Johnson's vice president, Hubert H. Humphrey, did not.

The doubts that persisted abroad about Mr. Nixon's judgment and political morality were not really dissipated until the beginning of the 1970s, late in his first presidential term. The causes for this change were his policy of détente with the Soviet Union and his arms-control agreements with Moscow, his opening of U.S. relations with China and his withdrawal of American forces from Vietnam.

This last was no victory, but was seen abroad as a reasonably adroit disguise for inevitable defeat. This was the exact contrary to what Mr. Nixon, and his Secretary of State, Henry A. Kissinger, claimed was the case. Their denials were taken abroad, mistakenly, as subtlety. Many were also ready to accept Mr. Nixon's argument that domestic critics had decisively undermined the U.S. position in Vietnam.

Mr. Nixon and Mr. Kissinger said that by changing the terms of the American relationship with Moscow, and by establishing relations with China, they were conducting a classic politics of power

balance. The reality was that China played the American link against its Soviet rival, to no profit to the United States. The opening to Moscow would have been much more difficult for a Democratic administration, however, and it contributed to that ferment in Soviet political circles which eventually was to produce glasnost and perestroika.

Mr. Nixon's downfall in the Watergate scandal was generally misperceived abroad as the result of a political plot. The significance Americans attached to his violation, in this affair, both of the law and of his constitutional position, was not generally understood.

Wiretapping and burglary of a rival party's premises seemed in many West European and Asian political circles to be deplorable but unsurprising forms of political conduct. Americans were thought "puritans" for becoming so excited about it, a judgment which ignored the fact that the cultural origin of American society is indeed Calvinist and Puritan.

Thus the 37th president was seen abroad, when his political career ended, as more victim than wrongdoer. His subsequent rehabilitation in American opinion as a foreign policy wise man owed much to the fact that, abroad, he had never lost that reputation.

## LEGACY: Lingered Changes in Political Geography

Continued from Page 1

postwar period to recognize the potential of anti-communism, and he made that issue his trademark in the three California House and Senate campaigns he won from 1946 to 1950.

Twenty years later, when campus and urban riots and the street warfare at the Democratic convention of 1968 ignited public opinion, it was Mr. Nixon who pushed the "law and order" issue to the center of the stage — where it has remained ever since.

Despite his homely looks and his grave, humorless style, he was one of the first national politicians to recognize the power of television and try to use it systematically to his advantage.

He saved his vice-presidential place on the 1952 Republican ticket — after controversy arose over a privately financed expense fund in his Senate office — by making a televised appeal directly to the American voters.

The success of that "Checkers speech" and the renown he won as vice president with his televised "kitchen debate" with Nikita S. Khrushchev instilled enough confidence in Mr. Nixon that he encouraged Dwight D. Eisenhower to sign

legislation in 1960 setting up the first televised presidential debates.

He lost those debates — especially the first one, with the largest audience — to John F. Kennedy, and that may well have been the margin of his hairbreadth defeat.

But in his dogged way, Mr. Nixon kept after it, and when he ran again in 1968 the "Ask Richard Nixon" sessions, staged by the television adviser Roger Ailes with carefully screened but seemingly ordinary voters, became the forerunners of what is now a standard campaign format.

Mr. Nixon was a crucial transition figure in the history of the modern Republican Party. For the better part of four decades, only Mr. Eisenhower, the smiling and victorious World War II commander, was able to break the Democrats' grip on the White House. When Barry Goldwater lost by a landslide to Lyndon B. Johnson in 1964, serious talk arose about the problematic future of the Republicans.

But Mr. Nixon helped nurse it back to health, campaigning constantly for the party in the highly successful midterm campaign of 1966, though he was nominally just a New York City lawyer, and then reclaiming the presidential nomination in 1968.

Both his presidency and his campaigns of 1968 and 1972 embodied the struggle to bridge the gulf between a mainstream Republican Party and an emerging populism of the right that encompassed hostility to the civil rights revolution, anger toward the sexual liberation and free speech movements of the 1960s and the hard-hat attack on the anti-Vietnam War movement.

Watergate transformed American politics. The scandal and the forced resignation of the president sharply increased public distrust of and cynicism toward government, justified a wide range of congressionally imposed restrictions on presidential power and authority, helped to give birth to an influential generation of Democrats, and gave impetus to the congressional reforms of the mid-1970s.

The focus of this distrust on the presidency created a favorable climate in Congress for the enactment of the War Powers Act, which required presidential notification of Congress within 48 hours of troop deployments and congressional authorization within 60 days. The measure was passed at the height of the Watergate controversy, after Mr. Nixon had dismissed Archibald Cox as special prosecutor.

Mr. Nixon left few institutions — or people — of his era unchanged.

## Indonesia Fears More Assaults on Its Chinese

By Philip Shenon  
New York Times Service

SINGAPORE — Anti-Chinese riots in Indonesia have led to one death and have alarmed government and business leaders who fear that the violence could spread to other parts of the vast Southeast Asian nation, which has an economy dominated by ethnic Chinese families and a work force consisting mainly of ethnic Malays.

The riots began the week before last in Medan, Indonesia's third largest city, paralyzing the north Sumatran area for several days as thousands of laborers took to the streets to demand higher wages and an explanation for the death last month of a union activist.

On April 15, an ethnic Chinese factory owner, Kwok Joe Lip, 53, was stoned and beaten to death in his car as he tried to drive to his factory in hopes of protecting it from the crowds of rioters in Medan. More than 100 shops and businesses owned by ethnic Chinese families in the city were said to have been vandalized.

Tuesday, thousands of looters were reported to have descended with machetes and iron picks on a shopping mall in central Medan owned by Chinese.

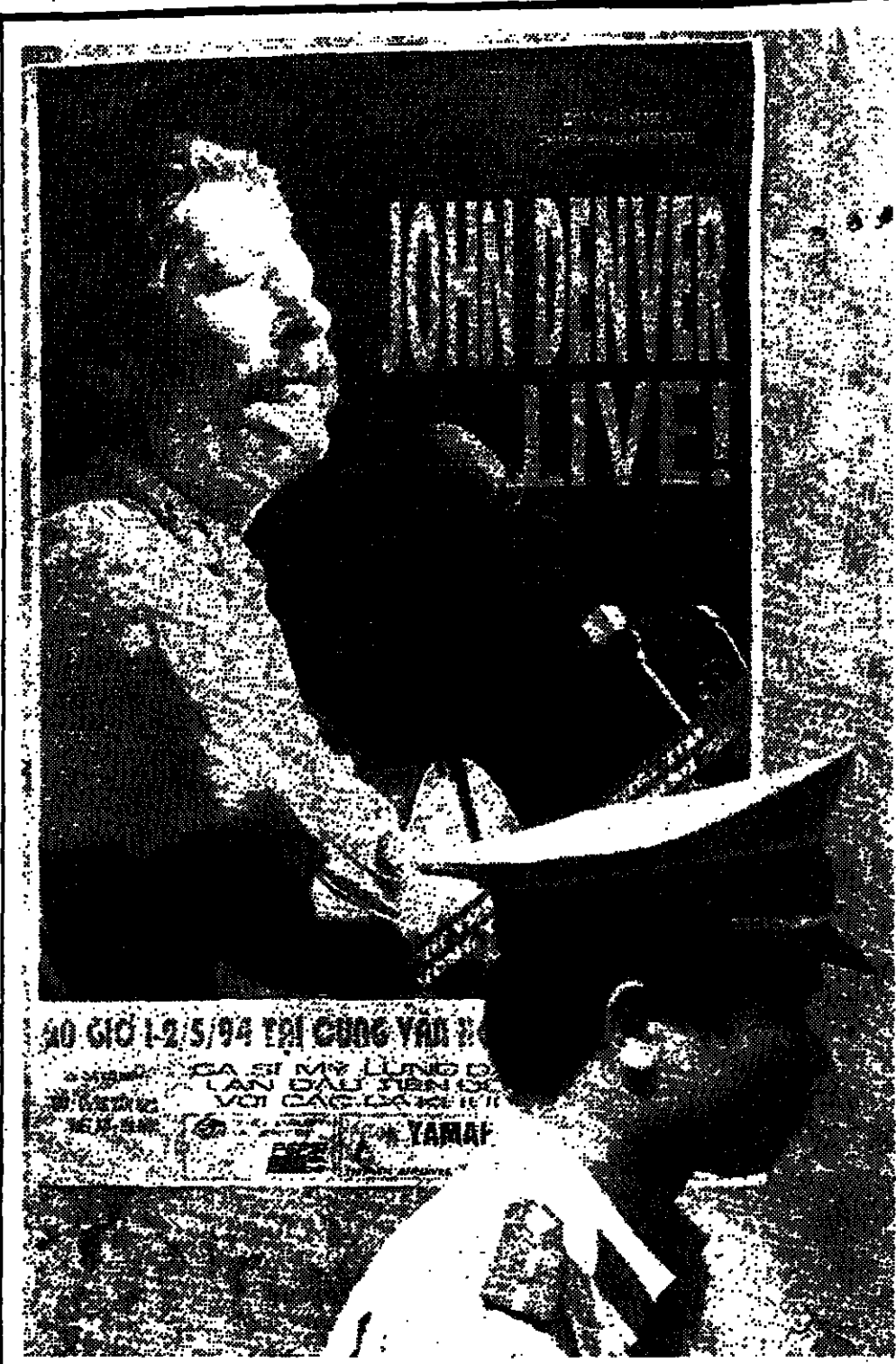
The ethnic Chinese, who make up only about 3 percent of the population of Indonesia, quickly became the target of the demonstrators, as they have in years past.

Leaflets that circulated among the crowds described the wealth of ethnic Chinese families and charged they were exploiting Indonesian factory workers, who are mostly of ethnic Malay stock.

The success of the Chinese is widely envied — and resented — in Indonesia, an archipelago of 180 million people and the fourth most populous nation. The average annual per capita income is about \$600.

To quell the riots, the Indonesian Army flooded the streets of Medan with up to 2,500 soldiers and has warned union leaders against trying to revive the demonstrations.

Jakarta has been a relatively nervous place this week, a diplomat said. "There have been lots of rumors about copycat riots here, incidents in the predominantly Chinese parts of town. None of that is true. There have been no incidents in Jakarta. But the rumors are an indication of the level of nervousness among the Chinese population here."



FROM U.S. TO VIETNAM, WITH RHYTHM — A sign in Hanoi announcing concerts by the singer John Denver to be held on May 1-2. He is also scheduled to perform in Ho Chi Minh City. Mr. Denver is the first American singer to perform in Vietnam since the end of the war in 1975.

## Hata, Awaiting Nod, Lists His Goals

Reuters

TOKYO — Tsutomu Hata, Japan's prime minister-designate, promised Sunday to lead efforts to slash government red tape, revamp the tax system and reduce the huge trade surplus.

Mr. Hata, destined to become prime minister in a formal vote on Monday, denied speculation that an ally, Ichiro Ozawa, would control policy-making as backstage boss in the style of the long-governing Liberal Democratic Party.

"It's a fabrication to say that we're setting up our own two-tiered

power structure," said Mr. Hata, currently foreign minister, speaking in a broadcast interview.

"I believe all of the coalition parties must take part in deciding what to do about the many issues," he said, indicating that his emphasis would be on consensus-building.

Mr. Hata, who will run against Democrats and other opposition parties, is certain to win because of the coalition's majority in the decisive lower house.

He promised Sunday to pass the now-overdue national budget for

1994-95, reforming the tax system and drafting measures to reduce Tokyo's chronic trade surplus with the United States. He emphasized deregulation to reduce government red tape.

"I want to proceed with deregulation," he said, "because it'll help open markets and create new types of industries."

Japan has come under U.S. pressure to reduce income taxes and overhaul its tax system to rectify an imbalance that places the weight heavily on direct taxes as opposed to indirect taxes.

## CURRENCY: Europe's Dream Reviving Once Again

Continued from Page 1

Union countries in 1999, and that investors "should not exclude the possibility" of it happening in 1997.

Getting there is far from assured. Europe will have to pull itself out of recession if countries are to meet the economic criteria for a single currency, and the surge of more than one percentage point in long-term interest rates this year threatens to throttle the recovery.

"Without renewed growth and a return to acceptable levels of unemployment, we will be condemned to continued introspection and despair," Economics Commissioner Henning Christophersen told the monetary union association's annual meeting in Paris earlier this month.

Nevertheless, the same financial markets that wrecked Europe's exchange-rate mechanism last August now point clearly to a single currency in this decade.

With the exception of the British pound and the Italian lira, which were forced out of the ERM in 1992 and the Greek drachma, which has never been a member, every EU currency except the Portuguese escudo was trading Friday within a 4.5 percent of the others, the ERM's old fluctuation band.

Long-term interest rates also have converged more closely around Germany's grid, the benchmark for Europe. Yields on 10-year French bonds dipped briefly below

German levels late last year, and even though the falling popularity of the government of Prime Minister Edouard Balladur has put pressure on the franc in recent weeks, French bond yields have risen to only one-third of a point above German yields.

Mr. Bishop said the small margin indicated that the market was not pricing in any franc depreciation over 10 years.

The secret to the stability was the decision by EU officials last Aug. 1 to widen currency fluctuation bands to plus or minus 15 percent from 2.25 percent. Although regarded at the time as an admission of the inability of governments to defend their interests in a \$1 trillion-a-day global market for currencies, it has proved to be an effective mechanism for containing speculation.

Unlike the old system, where tight trading limits and mandatory government intervention allowed speculators to sell EU currencies without risk in the hope of forcing a devaluation that gave them windfall profits, exchange rates can swing sharply up or down in the currency system, ending the era of one-way bets.

The sword of Damocles of severe exchange-rate penalties is hanging over them all the time," Mr. Matthes wrote. "Fairly large speculative upheavals in exchange rates can no longer occur, and this accordingly, eases exchange-rate

expectations and hence the pressure on interest rates."

Increasingly, EU officials talk of leaving the fluctuation margins as they are rather than trying to reimpose narrow bands in the run-up to a single currency. Indeed, EU foreign ministers shelved any talk of narrow bands at their informal meeting in Athens last month.

André Swings, head of foreign exchange trading at Kredietbank in Brussels, said that made sense. Trying to return to narrow bands "will invite speculators again to mount an attack," he said.

Based on Salomon's forecasts, Mr. Bishop said Denmark, Germany, Ireland, Luxembourg and the Netherlands could well meet the single-currency requirements at the end of 1996. The Union could obtain the majority needed to actually make the jump the following year if Belgium or France trim their budget deficits toward the Maastricht ceiling of 3 percent of gross domestic product.

Getting a majority will be more difficult if Sweden, Finland, Norway and Austria enter the Union next year, since only the latter will meet the deficit standard.

Determining how to interpret the Maastricht deficit requirements will be a political football over the next two years. The commission is considering ways of enforcing budget discipline and is expected to report to finance ministers in the second half of this year.

## China, Eye On Image, Sets Free A Dissident

By Lena H. Sun  
Washington Post Service

BEIJING — China has released one of the two key leaders of the 1989 pro-democracy movement in an apparent attempt to improve its human rights image, six weeks before President Bill Clinton must decide whether to extend China's favorable trade status.

Wang Junbiao, 35, who was sentenced in 1991 to 13 years in prison was released on medical parole. He was allowed to meet with his family at the airport here for about half an hour before boarding a flight to New York, where he is expected to undergo treatment for liver and heart trouble.

He was accompanied by an employee of the U.S. Embassy in Beijing, and "looked fine," according to a U.S. diplomat.

[At Kennedy airport in New York, Mr. Wang, quoted by Reuters, said Saturday, "I believe there will be further progress and developments in my country and in the near future I think others like me will be released."]

Chinese officials "only notified us at the last minute, when he came to the house about 7 A.M.," Mr. Wang's mother, Ge Yume said in a telephone interview. "When we heard this news, we were very happy. It shows that the United States is very concerned about his health, and we are grateful."

Under an executive order issued by Mr. Clinton last year, China must show "significant, overall progress" in several human rights areas, including the treatment of political prisoners, before the president can renew the trading status which allows in Chinese imports the lowest tariffs. The deadline for renewal is June 3.

Although welcome, the release of Mr. Wang is not likely to be enough to meet the conditions laid out in Mr. Clinton's executive order.

The official Xinhua press agency, quoting a spokesman for the Justice Ministry, said Mr. Wang "has left for medical treatment abroad after the Chinese judicial authorities released him on bail according to law on account of ill conditions of his illness."

But Mr. Wang, who suffers from heart disease and chronic hepatitis B, has long sought his release on medical parole. His detention has been publicized by his wife, He Xiaojian, who is studying at Columbia University in New York and his case has been among those consistently raised by human rights groups and Western governments including the United States.

The authorities continue to hold the country's most prominent political dissident, Wei Jingsheng.

## TOKYO: Backing for U.S.

Continued from Page 1

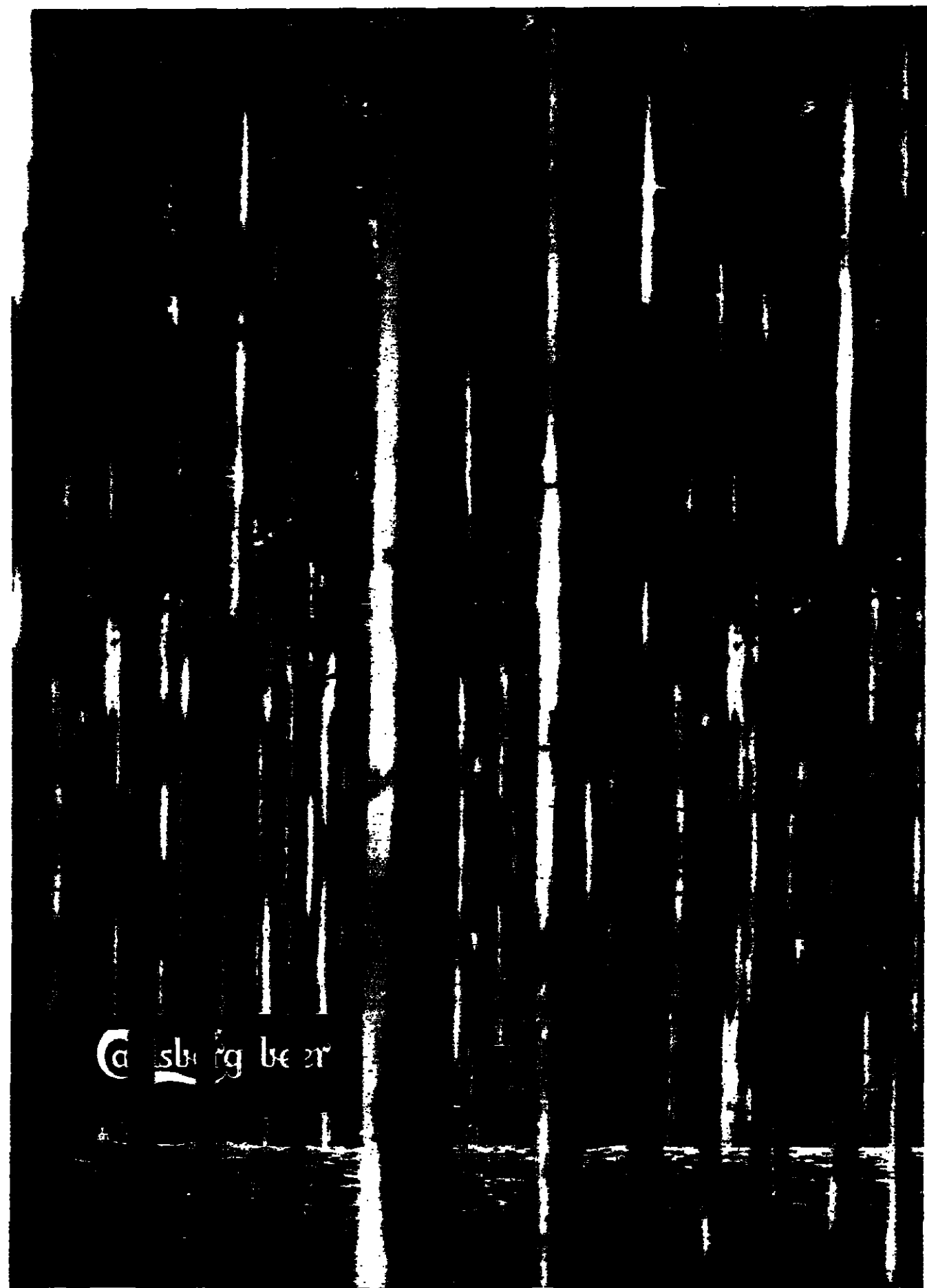
American official who has been deeply involved in the issue. "But think all of us have our doubts especially given the weakness of the current government."

Military officials here note that since 1988 the United States and Japan have been negotiating cross-servicing agreement, which would allow for routine use of each other's supplies and installations — similar to agreements the United States has in Malaysia, Thailand and South Korea — but that it has run into political obstacles.

Except for Mr. Ozawa, who the closest ally of Prime Minister designate Hata, Japanese politicians have said almost nothing public about the North Korea threat beyond making vague promises to act "within Japanese law" the United Nations imposes sanctions.

But in the last week, Mr. Ozawa has repeatedly complained that it country has no institution for crisis management — a decades-long taboo on security issues here has prevented the formation of a national security council or a unified intelligence operation.

"If it comes to a trade embargo and a maritime blockade, we can do anything unless we are prepared to reform domestic law with emergency legislation," Mr. Ozawa told coalition leaders last week.



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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Nixon: A Political Odyssey

### Watergate Will Remain

If not the dominant politician of his time, he was surely the most durable. It thus came as something of a mild surprise when he died Friday at the age of 81, that Richard Nixon had somehow failed to survive time itself.

It is, of course, the multiple offenses associated with Watergate for which Mr. Nixon is immediately remembered: the "dirty tricks" campaign, the conviction of so many of his associates for perjury and obstruction of justice and, finally, his own resignation to avoid an almost certain impeachment proceeding. This betrayal of the public trust remains the granite flaw that forever bars Mr. Nixon from the pantheon of great presidents.

Yet he endured after that disgrace, just as he had survived President Dwight Eisenhower's doubts about his fitness to be vice president, a narrow loss of the presidency to John Kennedy in 1960 and a humiliating defeat in his try for the California governorship in 1962. By sheer will he clawed his way back to a semblance of respectability, turning himself into an elder statesman and an adviser to presidents.

Throughout this cycle of victory, defeat, disgrace and resurrection he provided Americans with a lodestar for their political beliefs: they admired or detested him, but there was very little neutral ground. Future historians will find it hard to ignore a man who so transfixed his contemporaries. But what to make of him now?

With one or two exceptions, contemporary chroniclers agree that Mr. Nixon was at his best on the international stage. Foreign policy was unquestionably his first love and there were notable triumphs, most famously the opening to China and the first strategic arms agreement with Moscow. But the SALT-1 treaty was not without serious flaws, and his tortured exit from Vietnam remains hugely controversial; history may give him and his chief strategist, Henry Kissinger, a more modest grade than they have awarded themselves.

Conversely, most students have tended to underestimate his domestic achievements. As Tom Wicker observes in his book on Mr. Nixon, "One of Us," the 37th president was hardly a visionary or crusader. He was, instead, a shrewd pragmatist with exceptional antennae and the ability to turn public discontents to

political advantage. The results were sometimes contradictory. Mr. Nixon's "Southern strategy" in 1968 and his appeals to a restless white middle class in 1972 helped popularize racial appeals as a national campaign tactic. At the same time, seeing little choice, he ordered the Justice Department to continue dismantling the dual school system in the South.

Though he was no more an activist on the environment than he was on civil rights, Mr. Nixon correctly sensed a growing public appetite for a cleaner America and made that concern the centerpiece of his 1970 State of the Union address, months before the first Earth Day. His support made it easier for Congress to pass two seminal pieces of legislation, the Clean Air Act of 1970 and the Clean Water Act of 1972. Mr. Nixon also sought to reshape the nation's welfare system in much the same manner Bill Clinton proposes today; with a little more effort and a lot more help in the Senate, he might have done so.

But policy issues do not account for our fascination with a man who combined insecurity and ambition in explosive measure and was equally capable of unexpected kindnesses and staggering vindictiveness. Nor do issues of policy or ideology explain why, at the height of his powers and facing a weak opponent in George McGovern, he encouraged a pattern of illegal behavior that ultimately destroyed his presidency.

A provisional answer may be found in a phrase Mr. Nixon often applied to himself: "At bottom, I am a political man." He used these words proudly, as if to mock the intellectuals and moralists he despised, but in the end they might well serve as an epitaph. For if they were meant to suggest a talent for maximizing political opportunities, they also implied the absence of any guiding moral compass besides a burning dedication to political survival.

Mr. Nixon would have found such an assessment too narrow, but any fair reading of the record suggests that Watergate was only the endgame of a career in which he lavished as much energy on neutralizing or destroying his opponents as on cultivating allies. Add to that a perfect memory for real and imagined insults, and it is possible to see why he sanctioned the activities that brought him down.

—THE NEW YORK TIMES

### From Shame to Stature

Only weeks after Mr. Nixon resigned the presidency in 1974, he became very ill and was believed to be at the edge of death. For an organization such as The Washington Post, which had played a part in pursuing, reporting and editorially denouncing the activities that eventually forced him out of office, and which had incurred both his wrath and his various attempts at retaliation, it was daunting to try to figure out how we could now sit down and write an obituary appreciation of his career. But Mr. Nixon was spared — and so, in an exceedingly minor spin-off of his good fortune, were large segments of the American press he so detested, who did not know how to bid a civil farewell to a man they had so recently and for so long been fighting with and who were writing in discomfort at the prospect of having to do so.

The 20 years that have gone by since then have certainly not narrowed, let alone obliterated, the unbridgeable gap between those of us who believed and continue to believe — that the Watergate offenses for which Mr. Nixon was punished were sinister and dangerous, and those who believed — and still do — that he was unjustly humiliated from office.

But those 20 years have afforded a little merciful distance and detachment and made it easier for the late president's antagonists to see his career in a longer perspective. Bill Clinton, who fancies himself the "Comeback Kid" and who has shown an undeniable gift for resilience, is as nothing in this respect to Mr. Nixon, who throughout his life showed an incredible capacity to pick up and start over. It was in fact an abiding worry and joke among Democrats from the days of his earliest political setbacks that Mr. Nixon — seemingly rejected once and for all — would be back; and astonishingly, he always was.

This took guts. A man whose actions and remarks over a lifetime in politics had revealed, even for a politician, an unusually anxious, uncertain, engulfing concern with his reputation, his image, his accordance of respect by his contemporaries and by history, was always willing to risk further ridicule and humiliation in his efforts to start over and gain back lost ground. This he would do in the aftermath of political disasters that would have caused almost anyone else to give up and go home.

The audacity this reflected turned up in his particular achievements in office, as well as in some of the domestic initiatives he supported at least for a time but did not complete. The opening of the U.S. government to China after decades of nonrecognition and in the face of great political hostility on the part of the public (which earlier Mr. Nixon had done much to feed) is always cited as Exhibit A in this regard.

But often as not the recital ends at that point, and there is no Exhibit B. This is wrong. We would add the near-ecstasy of opening up the U.S. government to much expanded diplomatic dealings with the Arab states of the Middle East. It is often forgotten that until the late Nixon years, relations between America and all of those states were hostile.

Mr. Nixon also engaged boldly with the Soviet Union and undertook to carry his party along with his China initiative on journeys it did not much care to make (although none of this sped or smoothed his ability to achieve the end he sought in Vietnam).

Similarly, there were in Mr. Nixon's presidency at least dalliances, and sometimes more, with a variety of domestic reforms on welfare, on medical care and on the environment, among others, that were bold for the time, some of them look even better now in the light of subsequent right-wing reaction and left-wing moodiness in government.

In his presidential years, despite some people and some policies that pointed the other way, Mr. Nixon ended up playing a raw game of racial politics, not unlike the McCarthyite indulgences that marked his earlier career. And for all his 1968 campaign pledge to "bring us together," he was too often and too readily given to "enemies list" type politics, a weakness for which he eventually paid a higher price than the objects of his animus did.

But that was not the sum total of the man or his handiwork. Along with the dark side and the resentfulness, Mr. Nixon had a large and imaginative concept of the American presidency and what it could accomplish, a concept that not all of his successors have shared. He was willing to think big and take big risks on some notable occasions. To the immense annoyance of those of us who spent so much time locked in combat with him, Mr. Nixon always liked to say that he was "not a quitter." The extraordinary, redemptive journey he undertook from shame to stature in the last two decades of his life proved that he was surely right about that.

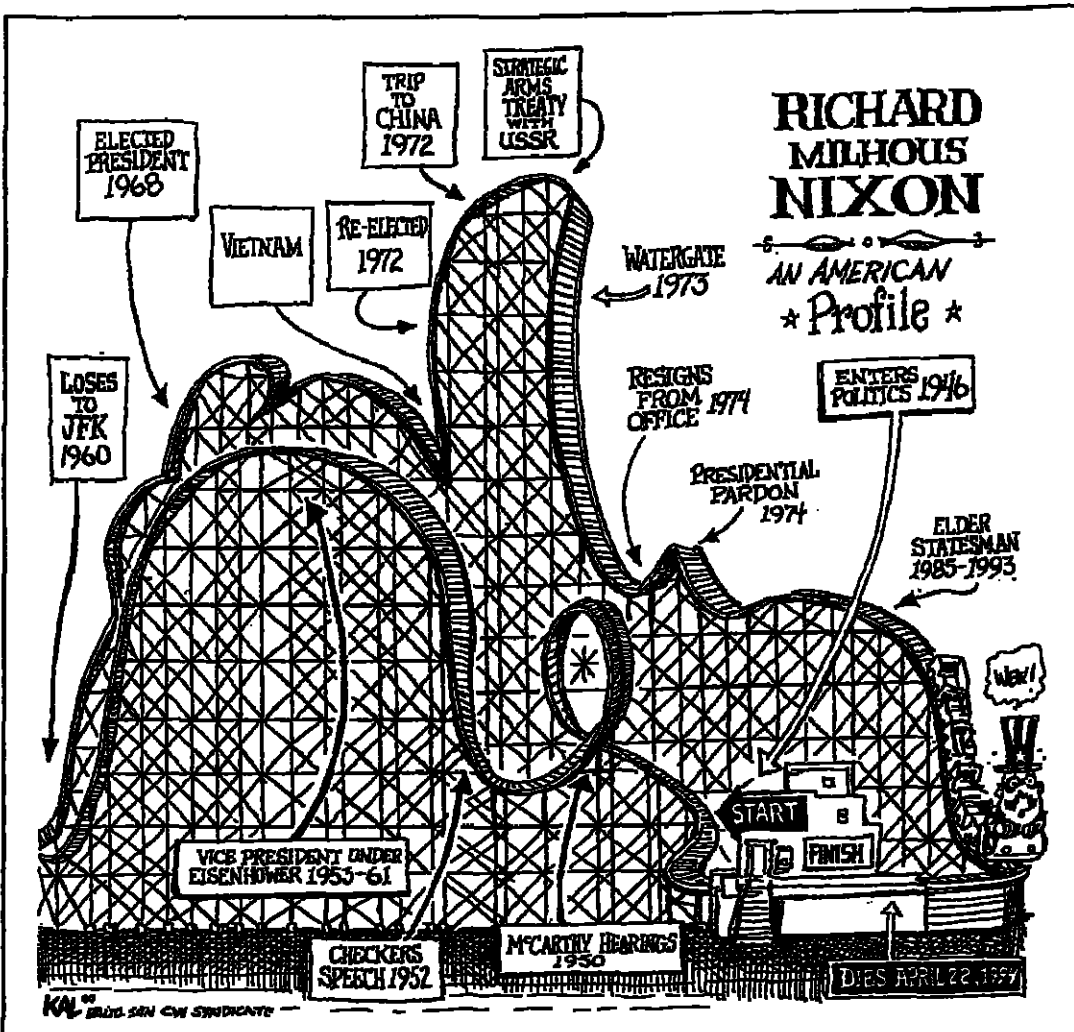
—THE WASHINGTON POST

### Other Comment

#### Perhaps History Will Abide

While Watergate will not be forgotten, Mr. Nixon's skill in managing what could have become the life-and-death struggle of the Cold War is valued by many historians. Mr. Nixon was more progressive than his Republican successors on civil rights issues. The Clinton welfare reform proposal contains elements of Mr. Nixon's family assistance plan, which was torpedoed by conservatives. I never admired Mr. Nixon. I thought it hypocritical of him to denounce Harry Truman for using rough language that was similar to Mr. Nixon's own private talk. I was appalled by Mr. Nixon's destructive, Red-baiting campaigns. I wanted him to end the war in Vietnam. I wanted him to acknowledge that Watergate was wrong. But I share the sadness of his admirers. He was a shy, complicated man who fought his way to the top from unlikely beginnings. As president, he was a visionary diplomat who made the world safer. As an ex-president, he was a patriot who shared his wisdom with his successors. Perhaps history will be kind to him, after all.

—Lou Cannon, in The Washington Post



## As Elder Statesman, Remember Him Kindly

By Jim Hoagland

WASHINGTON — In the last two decades of his long and turbulent life, Richard Nixon worked hard at becoming the global elder statesman of his time despite the disgrace of Watergate. He had succeeded in that final grand endeavor at the hour of his death Friday night.

For America's 37th president, foreign policy was mission in office, solace and salvation in defeat. Mr. Nixon's active engagement abroad and his generally well crafted foreign affairs books and speeches could not erase the stain of his involvement in the nation's most notorious obstruction of justice case. Nor was Mr. Nixon naive enough to think they would — that he could "rehabilitate" himself in U.S. politics by elder statesmanship, an intention frequently imputed to him by critics.

His endeavor was different, I concluded as I listened to him give several major talks on foreign affairs and read his books in recent years. Mr. Nixon set out not to recall his foreign policy accomplishments, but to enhance them with the nonpartisan, constructive unofficial diplomacy he pursued after resigning the presidency.

As a result, his foreign policy accomplishments are likely to loom larger in history than they otherwise would. His policy failures in Vietnam and in securing a lasting détente with Moscow shrink while his successes in China and the Middle East take on an extra glow in light of his campaign to be The Foreign Policy President of this century.

In contrast to his overly enthusiastic embrace of Leonid Brezhnev, it is hard to fault Mr. Nixon's clear-eyed appraisal of the decisive events and personalities of the final years of the Soviet Union and the opening phase of the Russian Federation. He

prodded George Bush on helping Boris Yeltsin at a crucial moment in 1992. After his most recent trip to Moscow, he had valuable advice to offer the Clinton administration on overhauling aid to Russia and broadening contacts in the ex-Soviet Union.

I heard him summarize these views three weeks ago in Washington in what turned out to be his final extensive foreign policy presentation. For 90 minutes, the 81-year-old Nixon stood before a group of 30 of us and without any notes delivered a compelling, persuasive analysis of Mr. Yeltsin's current predicament, Japan's future, Eastern Europe's security preoccupations and other foreign policy topics.

The Nixon shrewdness so apparent in his dealings with world leaders — and so absent in his dealing with the crimes of Watergate — glimmered particularly through his remarks about the Russian extremist politician, Vladimir Zhirinovskiy. Mr. Nixon portrayed the Russian as an overreaching opportunist ready to say anything to win votes.

Mr. Zhirinovskiy's anti-Jewish ravings were in large part electoral calculation. Mr. Nixon said. What seemed far more real and heartfelt were the extreme anti-Muslim sentiments Mr. Zhirinovskiy voiced in their meeting but which he has not emphasized in public. The Zhirinovskiy phenomenon probably reached its highwater mark in December's elections in Russia, Mr. Nixon believed. Mr. Zhirinovskiy benefited from the vacuum left by the jailing in October of Alexander Rutskoy and other Yeltsin opponents. Their release after the election means there is a conservative anti-Yelt-

sin alternative that is also anti-Zhirinovskiy. Mr. Nixon particularly emphasized to his audience America's need to take into account Russia's recent humiliation and determination to regain its dignity. Respecting Russian dignity was in fact the key to efforts to crafting a stable new U.S.-Russian relationship, he indicated.

Losing and regaining dignity was a subject Mr. Nixon knew a lot about and recognized easily in the case of others. He had no chance to recover his dignity through domestic politics after Watergate. It was only operating on the world stage as a private citizen that he could do that, as he had after his defeat by John Kennedy in 1960.

Mr. Nixon's final remark to his Washington audience was simultaneously puzzling and revealing. As he sat down, he recalled "that it is exactly 47 years since John F. Kennedy and I arrived in Washington to serve in Congress together," at a crucial moment in defining America's role after victory in World War II.

Why recall Mr. Kennedy before this group? An answer offered by others there who knew Mr. Nixon far better than I: The former president wanted to emphasize that he and Mr. Kennedy, while political rivals, shared a common view of America's role in the Cold War world and of the need for active, engaged American leadership in foreign affairs.

Mr. Nixon's last great endeavor was to persuade his current successor and his countrymen that, despite the end of the Cold War, the need for American leadership in foreign affairs remains clear and constant. History, which must judge him harshly in many other ways, will remember him kindly for that.

The Washington Post

## A U.S. Health Corps Can Do the Prevention Work

By Michael Alderman and Douglas Shenson

NEW YORK — The most remarkable thing about the debate over health care reform in the United States is how little has been said about health.

Policymakers address every flaw in the system except its most grievous one: Americans live less healthy and shorter lives than people in most other industrialized countries.

The Clinton plan and its congressional competitors will not bring about the improvements in health that lie within grasp. We need new ways to make sure everyone gets the handful of services proved to prevent disease and extend life.

Too few people get the vaccinations that prevent infections and the mammograms, pap smears and examinations that can detect cervical, breast and colon cancers while they are still curable. Nor do most people with high blood pressure or elevated cholesterol receive effective treatment that can prevent strokes and heart attacks. These cancers and cardiovascular diseases account for half of all deaths in the United States.

The Clinton proposal recognizes the importance of promoting good health and preventing disease, but it banks on the most expensive and least effective of its policy options

to deliver the preventive goods: improving access to doctors.

Experience suggests that providing such access does not in itself translate into the delivery of preventive services.

Forty-six years ago, the National Health Service was established in Britain to guarantee everyone access to a generalist doctor. While British health has improved, the gap that separates the most from the least fortunate has widened since 1948. Poor people have higher rates of virtually every disease, including those in which preventive services could make a difference.

Guided by the persistence of preventable deaths, the British have abandoned the belief that guaranteed access to doctors assures the delivery of these services. They now pay doctors to focus on prevention.

But it is unclear whether this will do the job: Studies reported in The British Journal of Medicine in January revealed that efforts in the doctor's office to reduce the risk of stroke and heart attack have had little if any impact.

Medical care systems do best in serving the sick. They have never

been effective in delivering preventive care to an entire population. As the British experience suggests, it will take more than a raise in physicians' pay to ensure that everyone gets the services they need.

Perhaps the United States can do better. America should abandon its reliance on doctors to achieve prevention. Just as local school authorities are responsible for providing primary and secondary education to all, a public health corps built on local health departments could take responsibility for a community's prevention needs.

An accountable authority would deliver to each individual, sick or well, the clinical procedures that count. Most can be provided by trained technicians, with nurse and physician supervision. The cost would be a tiny fraction of the trillion dollars the country spends each year for medical care, and the payoff in improved health would be huge.

The Clinton plan acknowledges the importance of an effective public health service and includes initiatives to streamline community-based activities. But these things are hardly central to the plan, which

does not even guarantee them a source of financing.

As long as America places the responsibility for prevention in the hands of those who encounter only a small part of the population and whose aim is to cure rather than deter disease, the most powerful weapons against premature death will never be effectively used.

Responsibility for the public's health must be established. Guaranteed access to care for all is a commendable objective. But arguments about cost, physicians' fees, regulation and tax consequences threaten to obscure the real purpose of care.

If America continues to focus on ways to finance the treatment of diseases rather than on ways to prevent them, the opportunity to improve the nation's health will be missed. Reform must be about better health, not just better access to doctors.

The two are not the same, and should not be confused.

Michael Alderman is chairman, and Douglas Shenson a professor, of the department of epidemiology at the Montefiore Medical Center/Albert Einstein College of Medicine. They contributed this comment to The New York Times.

## What Price America's Moral Failure in Bosnia? Disillusion at Home

By Peter Maass

BUDAPEST — When American politicians and generals discuss Bosnia, they often leave Vietnam on their minds. Their warnings about quagmires, mission creep and the shortcomings of air strikes relate to Vietnam and the lessons that should have been learned from it. But they are ignoring the most relevant lesson: A government that is deceptive and acts immorally will undermine its credibility with the governed, particularly the younger generation.

Every generation has its watershed. For George Bush's generation, it was World War II and the Cold War. For Bill Clinton's, it was Vietnam and Watergate. I am 33 years old, which nestles me amid Generation X and the yuppies, and for us Bosnia is turning into a watershed of disillusion. President Clinton, by opening himself up to justified criticism about hypocrisy and appeasement, is deepening the apathy of younger Americans who want a government they can respect and believe in.

It might be true that most members of my generation could not find Bosnia on a map, let alone Gorazde. But you do not need to understand Balkan politics to realize that the U.S. government has failed to accomplish the bare minimum, which is to do what it says it will do on an issue that it has defined as one of good versus evil.

The goal of rolling back the Serbs was long ago abandoned, but at least, we were assured last year, America and its allies at the United Nations would protect six "safe areas" — Gor-

azde, Zepa, Srebrenica, Sarajevo, Tuzla and Bihac. Help has been slow.

The end story of Bosnia's demise, presided over by America and its allies, is not new. The imminent fall of Gorazde is just another nail in its coffin, hammered into place by the Serbs and observed by the rest of the world. But because Gorazde's fall has received spectacular media coverage, and in the obvious disarray of Mr. Clinton's laughable policy for containing the Serbs, Americans are getting a message on the evening news: Their government is incompetent and immoral.

Disillusion is not new to my generation. We have had Watergate, Oliver North and the Iran-contra affair, some bad times in the job market and, more recently, Whitewater. But even during my hypercritical days a decade ago as editorial page editor of the student newspaper at the University of California at Berkeley, I thought the government could do good things.

But now Bosnia. The foreign policy experts talk about America's loss of credibility on the global stage. I worry about something more intimate, about the loss of credibility between America's government and its governed. An important bond is being frayed. This increases my worries about the future of my country.

My hometown, Los Angeles, has endured sufferings in the past year that are almost biblical — fire, floods, earthquake. Its notabillity tribu-

tions include high unemployment, gruesome crime, race riots and urban decay. Is America in a tailspin? I don't know. Nobody does. But we all know that it needs to get moving again. That cannot happen unless people have hope, and unless they have a government that they trust.

I am living overseas, so it might seem unwarranted for me to talk about "my" generation. But I visit America often enough to stay in touch. Thanks to the wonders of satellite television, I watch American network news before going to sleep — I probably see it more often than my peers in the United States. I am also part of the cyber crowd, so every day I log on to CompuServe and browse through the Global Crisis bulletin board, a computer talking shop for such world issues as Bosnia.

When people post messages on the Global Crisis bulletin board, they have undramatic headlines such as "Serb Attack on Gorazde." The messages are often interesting and provocative. During the past few days I noticed that new people, not the "regulars," were posting messages. Gorazde has touched them. There was an unusual headline on a long message posted by a newcomer who couldn't believe America was standing on the sidelines. The headline was simple: "Pain So Deep in the Soul."

The failure to protect Gorazde crystallizes and deepens the American government's failure in the past

two years (a failure that was nursed into life by a Republican administration). President Clinton could have stood up to the Serbian attack on Gorazde long ago and, in a small way, refuted our trust in government to do the right thing, or at least try to. He managed to regain a bit of credibility by staring down the Serbs over

Sarajevo earlier this year. But with Gorazde, he fell flat. The disillusion grew with each Serbian shell that hit Gorazde's hospital.

The writer reported on the Bosnia war for The Washington Post in 1992 and 1993. He is on leave to write a book about the conflict.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Uniontown Strife

NEW YORK — A serious disturbance is reported from Uniontown, Pa. A coke-worker on strike having been arrested, a body of fifty women went to the police-station and demanded for his release. This being refused, the women fiercely attacked the sheriff's posse, who were compelled to use their weapons. A number of women were felled with clubs or beaten with rifle stocks, others received bayonet wounds. The situation in the town is described as alarming.

### 1919: Italy and the Slavs

PARIS — Sen Benelli, the Italian poet and dramatist, has written for the Herald the following comments on President Wilson's manifestos for Italy: President Wilson evidently considers our people as on the plane of an African colony, dominated by the will of a few ambitious men; and with the greatest ignorance of our history, he does not seem to

know even that this war was waged by the whole Italian people against those enemies whom Mr. Wilson now shields and protects with all his affection and strength against us. Those enemies, yesterday, were called Austrians. To-day, the Austro-Hungarian Empire having disappeared, they call themselves Yugo-Slavs — that is, Southern Slavs. But they do not cease by that fact to be less Slav and, therefore, less enemies of Roman and Italian civilization, which the Slavs for centuries have worked to destroy.

### 1944: American Thrust

ADVANCED ALLIED HEADQUARTERS IN NEW GUINEA — [From our New York edition:] American troops who landed early (April 22) in the Hollandia area in the first Allied penetration into Japanese-held Dutch New Guinea are advancing rapidly from Tanahmearah Bay, the westernmost of the three landing points, it was announced today (April 25) by General Douglas MacArthur.



International Herald Tribune

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# BUSINESS

International Herald Tribune, Monday, April 25, 1994

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## CAPITAL MARKETS

### Bond Investors Are Blind To All News but Bad News

By Carl Gewirtz  
International Herald Tribune

PARIS — European bank analysts are reassessing the depth of the gloom pervading bond markets and concluding that there will be no quick escape from the fear that is eroding prices. The extent of the pessimism was exposed when money-market interest rates slumped after the Bundesbank cut its previous week's quarter-point cut in its floor and ceiling rates.

What normally would have been good news for bond markets was transformed into a disaster last week as investors used the seemingly good news as a chance to unload.

"There are lots of people who have been badly burned this year and are ready to use any opportunity to sell," a Swiss banker commented.

Investors 'are ready to use any opportunity to sell.'

Adding discomfort is the increased volatility. Although volume in cash markets is everywhere reported to be relatively modest, activity in futures markets is robust with daily price movements in the benchmark Deutsche mark market now averaging half a point, nearly double what the market was accustomed to.

This situation is directly linked to the reassessment under way of growth prospects in Germany and the impact faster-than-expected growth will have on short-term interest rates.

News that Economy Minister Günter Rexrodt expects growth this year possibly exceeding 1.5 percent, up from the earlier forecast of 1 percent, was not welcomed; the futures market now prices the low in short-term German rates at 5 percent in September. (The finance minister, Theo Waigel, made a similar comment over the weekend.) By end-year, three-month money is priced at 5.17 percent. The current rate is 5.44 percent.

"It's a super-sensitive environment," one analyst observed. "There's a heightened sensitivity to what faster growth will mean for bond yields following the dreadful first-quarter experience of the United States and Britain."

Joanne Perez at Banque Indosuez in Paris noted: "Pessimism over the longer-term evolution in interest rates provides a major obstacle to a sustained recovery in European bond markets."

New-issue activity remains subdued, the danger few who approach the market are mostly confined to short-dated paper of five years.

Germany's Landeskreditbank Baden-Württemberg, or L-Bank, tapped the market for 2 billion DM with five-year notes in a global offering, the second in this market. The global formula allowed a larger-than-normal size, assuring trading liquidity that is especially prized these days. "Buy-and-hold investors are just not there," one manager commented, "so liquidity is at a premium."

### Family and Business at Kohlberg

The reins have been passed this year from father to son at Kohlberg & Co., the leveraged buyout firm founded by Jerome Kohlberg, who also was one of the founders of Kohlberg, Kravis, Roberts & Co. James Kohlberg, 36, is now managing partner of the firm, which is based in Mount Kisco, New York, while Jerome, 68, continues full-time as senior partner. James Kohlberg shared his views on the buyout business with Susan Antilla of The New York Times.

Q. What do you make of all the hype about the yet-to-be-seen information highway?

A. There's no question there was a lot of hype. And more than hype, people were paying for revenues that were in someone's imagination—it's still a fantasy. As a businessman, I don't know how you value that—how you pay for that. When you look at the people who have made massive fortunes in different industries, from Sam Walton to Bill Gates, none of them started out with this grand vision of what the world would be like in 15 years.

Q. You mean they found something people needed right away. Like pots and pans?

A. Pots and pans. Or a software program that would run a computer. I don't mean to suggest that those men don't have vision, because vision is an important part of being successful. But so are pots and pans and the people who need them now.

Q. So you are running the firm now?

A. Yes. I have the title of managing partner, but it really is run as a team.

Q. How have your investors done?

A. Our record is north of 50 percent average annual return from the time the fund started in January 1988 with \$305 million.

Q. And now you're starting a new fund?

A. Yes. We're going for \$250 million and are over 90 percent invested.

Q. What's been happening with the companies in your first fund?

A. We took four public in 1993 (ABT Co., ABC Rail Products, Northwestern Steel & Wire and Welbilt Corp.) and did one secondary offering. We sold a fifth one—Crossland Mortgage. Crossland was one of our quickest

exits. We bought it for \$80 million in December 1992 and are closing the sale in two weeks at \$132 million.

Q. How do you pick companies?

A. When we first started, we had the traditional criteria that all the investment companies talk about: stable companies with stable cash flow, good historical earnings, low debt to assets. But over time, what we've added to that is the ability to invest in more troubled situations—companies whose balance sheets are overleveraged or who have gotten into trouble for other reasons.

Q. What's been Kohlberg & Co.'s biggest success?

A. ABT, a building products company that we bought in October 1992 for \$95 million, and took public in June 1993 at \$15 a share.

Q. And I'll tell you before you even ask that our worst was Colorado Prime Corp.

Q. What went wrong at Colorado Prime?

A. Oh, a lot of things. The primary mistake was extending a bridge loan that relied on a "highly confident" letter from Drexel Burnham Lambert.

### The Dollar Just Can't Get Going

By Carl Gewirtz  
International Herald Tribune

PARIS — It was the dream scenario that the foreign-exchange market was supposed to be waiting for: A cut of one-eighth percentage point in German money-market rates, following the previous week's quarter-point decline in floor and ceiling rates, and a quarter-point increase in U.S. rates.

This was the material to get the dollar started on its long-expected cyclical rise against the Deutsche mark.

Dealers certainly thought so. But when they realized they were the only ones in the market they retreated—and so did the dollar. It ended last week trading at 1.6852 DM, below the previous week's closing level of 1.7145 DM.

"It's all been fully anticipated," one disgruntled trader explained. "The market has been so focused on the dollar's potential upside, everyone is so bullish, that there's no momentum behind any upward movement," said Michael Burckhardt at Hessische Landesbank in Frankfurt.

The major disappointment, observers said, stems from the relatively timid size and drawn-out timing of both the U.S. rate increases and the German reductions. But analysts also cited a number of other factors to account for the market's disillusion with the dollar. These include:

• An upward revision in likely growth this year in Germany, raising questions about how low interest rates will fall.

• Concern about the widening U.S. current-account deficit, which is expected to add some \$200 billion this year to the stock of dollars held outside the United States.

• Dollar sales by European and Asian central banks unrelated to

### World Bank Backs Asia on Trade

By Alan Friedman  
International Herald Tribune

PARIS — A strongly worded call for Europe to "embrace, not fear" expanded trade with the prosperous emerging economies of East Asia is to be issued in Brussels on Monday by Gautam S. Kaji, a World Bank vice president in charge of the region.

In the speech, an advance copy of which was obtained by the International Herald Tribune, Mr. Kaji contended that Europe's fear of losing jobs and competitiveness to low-wage manufacturers in countries such as Singapore and Malaysia was "unfounded."

The World Bank official, putting his finger on one of the most politically sensitive issues in world trade, said that enhancing trade ties with the region offered "the best long-term prospects for job growth and economic security in Europe."

He said Europe could not legislate its economic security and should accept that the low-wage nations of East Asia would eventually offer new export markets and opportunities for investment in public works and environmental technology.

Mr. Kaji rejected what he described as the European Union's "feeling that the developing countries of East Asia have an unfair advantage, that they are not playing by the rules." He said it was "anxiety" about competition from East Asia that inspired recent heated discussions among members of the General Agreement on Tariffs and Trade about linking trade rules to wages and working conditions.

The speech is in many ways a reply to countries such as the United States and France that have been urging links between workers' rights and world trade. This link, considered a pretense for protectionism by officials of several East Asian governments, was urged by Vice President Al Gore of the United States during his speech on April 14 at the signing of the Uruguay Round trade accord among 125 GATT members.

Mr. Kaji conceded that there was "some ground" for concern that Europe, with lower trade protection than Asia but higher wages and better working conditions, may be subsidizing East Asia's economic success. He also said East Asian nations should reduce their tariffs. But he concluded that "the world is big enough to accommodate both a

### China Expects 17% Inflation, Missing Target

Compiled by Our Staff From Dispatches

BEIJING — An economist working for China's cabinet has forecast that nationwide inflation will hit 17 percent this year, missing the government's 10 percent target.

In an article Saturday in the official China Daily, Ma Jiantang, an economist in the State Council's Development and Research Center, also predicted that prices in 35 large and medium-sized Chinese cities would jump by an average of 22 percent this year.

Earlier this month, a State Statistical Bureau report estimated that China's economy would grow this year by 11.5 percent, well above the 9 percent target set by Prime Minister Li Peng in March.

The combination of high growth and high inflation threatens to undermine China's economic reforms, Mr. Ma said in the article.

"Checking further price hikes and maintaining price stability is vital to the success of China's reform and economic development this year," he said.

In a related development, the People's Daily, another official organ, reported Saturday that the State Council would ban futures trading in steel, coal and sugar to prevent speculation on these commodities from fueling inflation.

A State Council notice forbids all futures contracts in sugar and steel with a delivery date after Oct. 1. It calls for a similar ban on coal futures.

China's economy last year grew 13.4 percent, and nationwide inflation ran at 13 percent for the year. In the first three months of 1994, that rate shot up to an annual rate

of 20.1 percent nationwide and 24.5 percent in major cities.

The government responded to the increase by capping prices of basic goods out of concern that inflation could fuel social unrest.

Mr. Ma endorsed that policy, saying the government should delay plans to lift price controls for crude oil, electricity, freight transportation and housing rents. China had planned to allow companies to raise the price of these products this year in an attempt to attract domestic and foreign investment to these industries and alleviate shortages.

The China Daily Business Weekly said Sunday that Beijing was considering allowing foreign investment in the manufacture of large electrical generators.

Westinghouse Electric Corp. and Siemens AG are reportedly eager to take up the challenge.

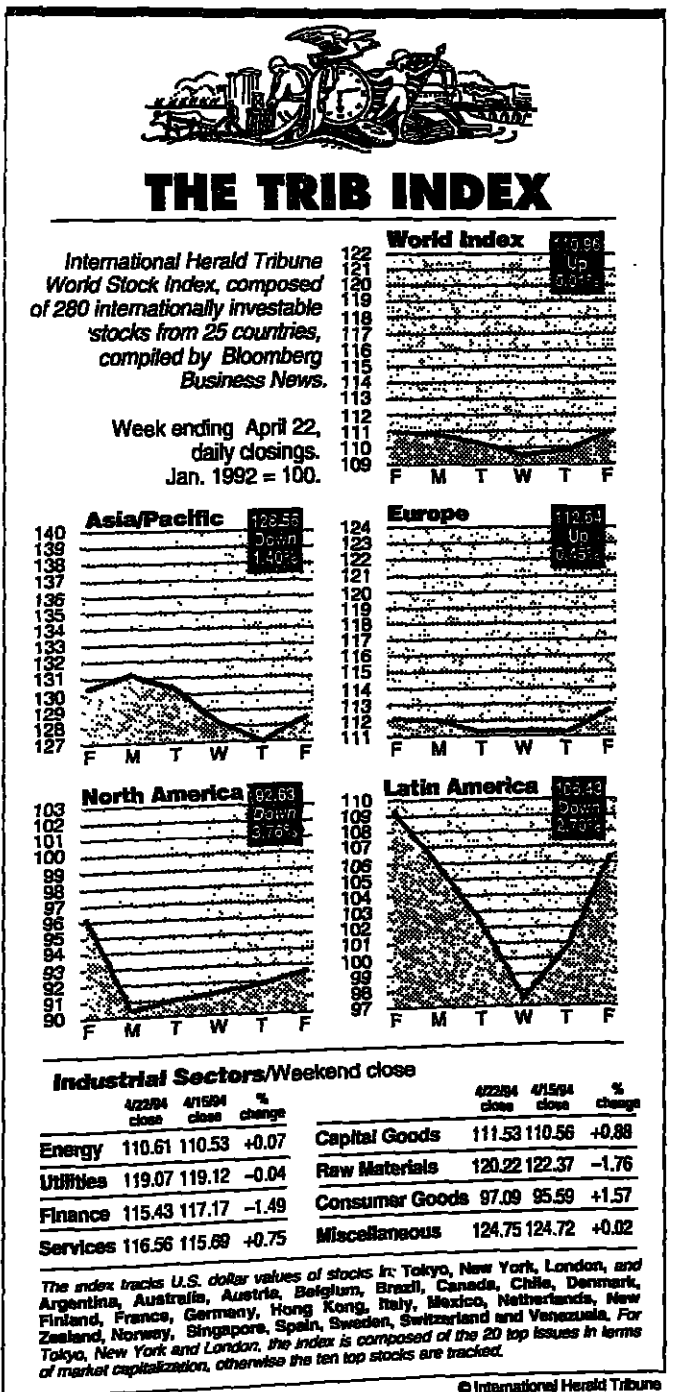
Many of China's existing generators are imported, but at great expense, and officials quoted in the report said boosting domestic generator production through foreign investment was the only way out of the supply crisis.

Separately, the China Daily reported Saturday that labor unions would enjoy expanded rights in state enterprises under new official guidelines.

An All China Federation of Trade Union document defining the role of unions under a "modern enterprise system" stipulates that they are to be empowered with rights involving labor contracts and to be given representation on the board.

The document is to be submitted to the State Council.

(Bloomberg, AFP)



### Deutsche Bank Takes the Offensive

By Brandon Mitchener  
International Herald Tribune

FRANKFURT — After two weeks of being bashed about its handling of loans to a missing real estate magnate, Deutsche Bank AG plans to bash back on Monday, even as prosecutors go through the bank's files on the affair.

Hilmar Kopper, the bank's chairman, as well as two fellow board members, Georg Krupp and Ulrich Weiss, are to face the press to "explain the facts of the Schneider case from the bank's point of view and the consequences for the bank," according to an invitation.

Judging from previous comments, the bank will assert that it was tricked by Jürgen Schneider and his wife into lending them money well in excess of their business needs.

Mr. Kopper has already conceded that there may be "systemic problems" to solve, and angry Deutsche Bank shareholders are demanding the resignations of those responsible.

Politicians, meanwhile, are proposing new limits on the influence of banks in the German economy. Senior members of the opposition Social Democratic Party and the Free Democratic Party, the junior coalition partner in Bonn, said over the weekend that both the banks' shareholdings in other German companies and the banks' representation on their boards should be capped.

Although the proposals were immediately dismissed as election-year politics, they have put the bank on the defensive.

One of the main questions to be answered is how much Deutsche Bank knew before the Schneiders disappeared, leaving it and about 40 other institutions holding more than \$5 billion Deutsche marks (\$2.95 billion) in IOUs backed by property that may be worth less than half that total.

Mr. Kopper revealed last week that the bank had questioned Mr. Schneider about "unconvincing positions" in his annual statement of assets and liabilities in February, "possibly contributing to his feeling of being found out."

The bank had stopped lending to Mr. Schneider in the summer of 1992 after deciding it had "lent Mr. Schneider enough," Mr. Kopper told German television.

Previously, officials of Deutsche Bank and other creditors had said they had no reason to suspect Mr. Schneider of wrongdoing or even being in difficulties until April 7, when a courier delivered a farewell letter dated April 4 that was addressed to Mr. Weiss.

In the letter, Mr. Schneider asked for a two-year holiday from interest payments and an emergency loan of 80 million DM. He also more or less suggested that the bank, his biggest single creditor, assume authority for his businesses

while he went on vacation to avoid stress.

According to a spokesman, the bank immediately contacted key associates of the magnate at his main holding company, Dr. Jürgen Schneider AG, who had received a similar letter. "They invited us to come out to Königstein," the spokesman said, where bank and company officials compared notes at the Schneider headquarters for the next four days.

German media have described the discussions as a "search" of the Schneider headquarters, a description that the bank's chief spokesman, Helmut Hartmann, denied.

"When our team had a question they couldn't answer, they went into the next room and looked into files, or showed them to us," he said. "It was never a search."

Nonetheless, a spokeswoman for

See DEUTSCHE, Page 11

### MARTIN CURRIE GEFINOR FUND MANAGEMENT COMPANY

Société anonyme  
Registered office:  
15, avenue Emile Reuter, Luxembourg  
R.C. Luxembourg B 21 167

### NOTICE TO THE HOLDERS OF SHARES IN SCOTTISH WORLD FUND

Following the change of ownership in the Management Company, article 1 and article 19 of the Management regulations of Scottish World Fund has been amended by the replacement of the reference to Gefinor Limited, Nassau, Bahamas by the reference to Gefinor Bank Limited, Grand Cayman, and the prospectus has been updated consequently.

Luxembourg, April 20th, 1994.  
Martin Currie Gefinor Fund Management Company S.A.  
Société Générale Alsacienne de Banque Luxembourg Branch

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# U.S. Boom Boosts Orders for Tools

Bloomberg Business News

WASHINGTON — American machine tool orders rose 25.8 percent in March from February, bolstered by the strong U.S. economy, the Association of Manufacturing Technology said on Sunday.

On a year-on-year basis, the increase was 4.4 percent. Orders for machine tools, which cut and shape metal for carmakers and other industrial companies, are closely watched by economists as a gauge of factory output and business investment.

Tool orders totaled \$346.80 million during March, up from \$275.65 million in February.

"Domestic orders continued their strong pace, giving us the best first quarter since 1980," said Albert Moore, president of the trade group. "New capital spending fore-

casts by U.S. manufacturers should translate into a good 1994 for the industry."

Demand for U.S. machine tools is weaker outside the country because of economic slowdowns in Europe and Japan and because of competition.

The February figure represented a 23.5 percent decline from January, previously reported as a decrease of 22.1 percent.

By category, orders for metal-cutting tools increased 25.8 percent in March from a month earlier, to \$231.25 million. Orders for metal forming tools rose 25.9 percent, to \$115.55 million.

Shipments increased 12.5 percent in March, to \$304.0 million, while the backlog of orders, which tracks machine tool makers' ability to meet demand, increased 2.8 percent, to \$1.598 billion.

## At G-7, U.S. Presses for Growth

The Associated Press

WASHINGTON — The United States pressed Japan and Germany to do more to stimulate their domestic economies as finance officials from the world's seven richest industrial countries conferred Sunday on the threat to global growth posed by rising interest rates.

Finance officials and central bank presidents of the Group of Seven — the United States, Japan, Germany, Britain, France, Italy and Canada — met behind closed doors at Dumbarton House in Washington's Georgetown district.

The G-7 talks were being held in advance of the annual spring meetings of the 178-nation International Monetary Fund and its sister lending agency, the World Bank.

While IMF economists are forecasting that the global economy in 1994 should turn in its best performance in five years, that is due primarily to unexpectedly strong growth in the United States.

The IMF has actually revised downward its expectations for growth in Japan and Germany.

Treasury Secretary Lloyd Bentsen said in advance of the talks that Germany should cut interest rates and Japan needs to do more to stimulate domestic demand to improve the global economy's growth prospects.

Mr. Bentsen was particularly pointed in his comments about Japan. The administration has been pressing Japan to make a tax cut permanent and take other measures to boost domestic demand as a way of reducing America's record \$60 billion trade deficit with that country.

Finance officials from other countries are concerned about the recent jump in long-term interest rates in the United States that was triggered by credit tightening on the part of the Federal Reserve Board.

U.S. officials have insisted that financial markets have overreacted to the Fed's small tightening moves.

In advance of the group meeting, Mr. Bentsen held a series of one-on-one talks Sunday morning with officials from Russia, Japan and Germany.

A Treasury official, speaking on condition that his name not be used, told reporters that Mr. Bentsen had a "useful discussion" with Finance Minister Hirohisa Fujii of Japan in which Mr. Bentsen had pressed the Japanese to go further with government stimulus measures.

Mr. Fujii told reporters that he had stressed to Bentsen the significance of the stimulus measures already taken by Japan.

## TRADE: World Bank Supports Asia on Jobs Link

Continued from Page 9

thriving East Asia and a strong European Community. The two regions, he said, need each other.

Comparing Europe's "trepidation" about the threat posed by East Asian economies to the choice the European Union faced when it admitted Spain and Portugal, Mr. Kaji said: "Look at the consequences since then, both for the European Union and for those countries. Their trade and gross domestic product have steadily climbed — and so has the Community's."

### Latin Americans Bridge

Foreign Ministers from Latin America and Europe pledged Saturday to jointly protect human rights and tackle social problems to foster development, but the Latin Americans firmly rejected any link between these sensitive social issues and trade. Reuters reported from Sao Paulo.

"We're very clear on this, that it's not appropriate to establish any kind of conditionalities," said Diego Parades, the foreign minister of Ecuador.

"Free trade, not conditionalities, is the best way to help the Brazilian worker," said Celso Amorim, foreign minister of Brazil.

Latin American concerns over attempts by Europe to tie trade access to prickly issues like human rights, child labor or workers' rights were apparent during a two-day meeting of European Union and Rio Group ministers that ended Saturday.

It was the first meeting of two large North-South regional groups since the historic signing last week of the Uruguay Round world trade treaty.

The declaration issued at the end of the Sao Paulo meeting reflected the Latin American position by stating: "The Rio Group ministers reject the unilateral application of any political, economic, social and environmental linkage regarding market access in international trade relations."

Theodoros Pangalos, Greece's alternate foreign minister, said that Europe could not abandon its concern over social issues, but he said that the European Union would

take Latin America's position into account when considering trade with the region.

Addressing fears in Latin America that the region might be in danger of losing its past favorable trade position with Europe, Mr. Pangalos said the European market was open for business.

"The European Union is the freest trading partner in the world today," he said.

According to European Union figures, Latin American exports to Europe fell to 22 billion European currency units (\$25.14 billion) in 1993 from 25 billion Ecu in 1990.

In contrast, European exports to Latin America jumped to 23 billion Ecu in 1993 from 15 billion Ecu in 1990.

### For investment information

Read the MONEY REPORT every Saturday in the IHT

## WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. April 22

### Dollar Straights

Issuer Con Mat Price Yld

### Governments/Supranationals

Adm Jul	7 1/2	12/93	100 1/2	7 1/2
Adm Jun	6 3/4	11/93	100 1/2	7 1/2
Adm Mar	6 3/4	10/93	100 1/2	7 1/2
Adm Apr	7 1/2	9/93	100 1/2	7 1/2
Adm Aug	7 1/2	8/93	100 1/2	7 1/2
Adm Dec	7 1/2	7/93	100 1/2	7 1/2
Adm May	7 1/2	6/93	100 1/2	7 1/2
Adm Feb	7 1/2	5/93	100 1/2	7 1/2
Adm Jan	7 1/2	4/93	100 1/2	7 1/2
Adm Nov	7 1/2	3/93	100 1/2	7 1/2
Adm Oct	7 1/2	2/93	100 1/2	7 1/2
Adm Sep	7 1/2	1/93	100 1/2	7 1/2
Adm Aug	7 1/2	12/92	100 1/2	7 1/2
Adm Jul	7 1/2	11/92	100 1/2	7 1/2
Adm Jun	7 1/2	10/92	100 1/2	7 1/2
Adm May	7 1/2	9/92	100 1/2	7 1/2
Adm Apr	7 1/2	8/92	100 1/2	7 1/2
Adm Mar	7 1/2	7/92	100 1/2	7 1/2
Adm Feb	7 1/2	6/92	100 1/2	7 1/2
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Adm Nov	7 1/2	3/92	100 1/2	7 1/2
Adm Oct	7 1/2	2/92	100 1/2	7 1/2
Adm Sep	7 1/2	1/92	100 1/2	7 1/2
Adm Aug	7 1/2	12/91	100 1/2	7 1/2
Adm Jul	7 1/2	11/91	100 1/2	7 1/2
Adm Jun	7 1/2	10/91	100 1/2	7 1/2
Adm May	7 1/2	9/91	100 1/2	7 1/2
Adm Apr	7 1/2	8/91	100 1/2	7 1/2
Adm Mar	7 1/2	7/91	100 1/2	7 1/2
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Adm Oct	7 1/2	2/91	100 1/2	7 1/2
Adm Sep	7 1/2	1/91	100 1/2	7 1/2
Adm Aug	7 1/2	12/90	100 1/2	7 1/2
Adm Jul	7 1/2	11/90	100 1/2	7 1/2
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Adm May	7 1/2	9/90	100 1/2	7 1/2
Adm Apr	7 1/2	8/90	100 1/2	7 1/2
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Adm Feb	7 1/2	6/90	100 1/2	7 1/2
Adm Jan	7 1/2	5/90	100 1/2	7 1/2
Adm Dec	7 1/2	4/90	100 1/2	7 1/2
Adm Nov	7 1/2	3/90	100 1/2	7 1/2
Adm Oct	7 1/2	2/90	100 1/2	7 1/2
Adm Sep	7 1/2	1/90	100 1/2	7 1/2
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Adm May	7 1/2	9/89	100 1/2	7 1/2
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Adm Oct	7 1/2	2/89	100 1/2	7 1/2
Adm Sep	7 1/2	1/89	100 1/2	7 1/2
Adm Aug	7 1/2	12/88	100 1/2	7 1/2
Adm Jul	7 1/2	11/88	100 1/2	7 1/2
Adm Jun	7 1/2	10/88	100 1/2	7 1/2
Adm May	7 1/2	9/88	100 1/2	7 1/2
Adm Apr	7 1/2	8/88	100 1/2	7 1/2
Adm Mar	7 1/2	7/88	100 1/2	7 1/2
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Adm Jan	7 1/2	5/88	100 1/2	7 1/2
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Adm Oct	7 1/2	2/87	100 1/2	7 1/2
Adm Sep	7 1/2	1/87	100 1/2	7 1/2
Adm Aug	7 1/2	12/86	100 1/2	7 1/2
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Adm Jun	7 1/2	10/86	100 1/2	7 1/2
Adm May	7 1/2	9/86	100 1/2	7 1/2
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Adm Aug	7 1/2	12/85	100 1/2	7 1/2
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Adm Dec	7 1/2	4/85	100 1/2	7 1/2
Adm Nov	7 1/2	3/85	100 1/2	7 1/2
Adm Oct	7 1/2	2/85	100 1/2	7 1/2
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Adm Aug	7 1/2	12/84	100 1/2	7 1/2
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Adm Dec	7 1/2	4/84	100 1/2	7 1/2
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Adm Oct	7 1/2	2/82	100 1/2	7 1/2
Adm Sep	7 1/2	1/82	100 1/2	7 1/2
Adm Aug	7 1/2	12/81	100 1/2	7 1/2
Adm Jul	7 1/2	11/81	100 1/2	7 1/2
Adm Jun	7 1/2	10/81	100 1/2	7 1/2
Adm May	7 1/2	9/81	100 1/2	7 1/2
Adm Apr	7 1/2	8/81	100 1/2	7 1/2
Adm Mar	7 1/2	7/81	100 1/2	7 1/2
Adm Feb	7 1/2	6/81	100 1/2	7 1/2
Adm Jan	7 1/2	5/81	100 1/2	7 1/2
Adm Dec	7 1/2	4/81	100 1/2	7 1/2
Adm Nov	7 1/2	3/81	100 1/2	7 1/2
Adm Oct	7 1/2	2/81	100 1/2	7 1/2
Adm Sep	7 1/2	1/81	100 1/2	7 1/2
Adm Aug	7 1/2	12/80	100 1/2	7 1/2
Adm Jul	7 1/2	11/80	100 1/2	7 1/2
Adm Jun	7 1/2	10/80	100 1/2	7 1/2
Adm May	7 1/2	9/80	100 1/2	7 1/2
Adm Apr	7 1/2	8/80	100 1/2	7 1/2
Adm Mar	7 1/2	7/80	100 1/2	7 1/2
Adm Feb	7 1/2	6/80	100 1/2	7 1/2
Adm Jan	7 1/2	5/80	100 1/2	7 1/2
Adm Dec	7 1/2	4/80	100 1/2	7 1/2
Adm Nov	7 1/2	3/80	100 1/2	7 1/2
Adm Oct	7 1/2	2/80	100 1/2	7 1/2
Adm Sep	7 1/2	1/80	100 1/2	7 1/2
Adm Aug	7 1/2	12/79	100 1/2	7 1/2
Adm Jul	7 1/2	11/79	100 1/2	7 1/2
Adm Jun	7 1/2	10/79	100 1/2	7 1/2
Adm May	7 1/2	9/79	100 1/2	7 1/2
Adm Apr	7 1/2	8/79	100 1/2	7 1/2
Adm Mar	7 1/2	7/79	100 1/2	7 1/2
Adm Feb	7 1/2	6/79	100 1/2	7 1/2
Adm Jan	7 1/2	5/79	100 1/2	7 1/2
Adm Dec	7 1/2	4/79	100 1/2	7 1/2
Adm Nov	7 1/2	3/79	100 1/2	7 1/2
Adm Oct	7 1/2	2/79	100 1/2	7 1/2
Adm Sep	7 1/2	1/79	100 1/2	7 1/2
Adm Aug	7 1/2	12/78	100 1/2	7 1/2
Adm Jul	7 1/2	11/78	100 1/2	7 1/2
Adm Jun	7 1/2	10/78	100 1/2	7 1/2
Adm May	7 1/2	9/78	100 1/2	7 1/2
Adm Apr	7 1/2	8/78	100 1/2	7 1/2
Adm Mar	7 1/2	7/78	100 1/2	7 1/2
Adm Feb	7 1/2	6/78	100 1/2	7 1/2
Adm Jan	7 1/2	5/78	100 1/2	7 1/2
Adm Dec	7 1/2	4/78	100 1/2	7 1/2
Adm Nov	7 1/2	3/78	100 1/2	7 1/2
Adm Oct	7 1/2	2/78	100 1/2	7 1/2
Adm Sep	7 1/2	1/78	100 1/2	7 1/2
Adm Aug	7 1/2	12/77	100 1/2	7 1/2
Adm Jul	7 1/2	11/77	100 1/2	7 1/2
Adm Jun	7 1/2	10/77	100 1/2	7 1/2
Adm May	7 1/2	9/77	100 1/2	7 1/2
Adm Apr	7 1/2	8/77	100 1/2	7 1/2
Adm Mar	7 1/2	7/77	100 1/2	7 1/2
Adm Feb	7 1/2	6/77	100 1/2	7 1/2
Adm Jan	7 1/2	5/77	100 1/2	7 1/2
Adm Dec	7 1/2	4/77	100 1/2	7 1/2
Adm Nov	7 1/2	3/77	100 1/2	7 1/2
Adm Oct	7 1/2	2/77	100 1/2	7 1/2
Adm Sep	7 1/2	1/77	100 1/2	7 1/2
Adm Aug	7 1/2	12/76	100 1/2	7 1/2
Adm Jul	7 1/2	11/76	100 1/2	7 1/2
Adm Jun	7 1/2	10/76	100 1/2	7 1/2
Adm May	7 1/2	9/76	100 1/2	7 1/2
Adm Apr	7 1/2	8/76	100 1/2	7 1/2
Adm Mar	7 1/2	7/76	100 1/2	7 1/2
Adm Feb	7 1/2	6/76	100 1/2	7 1/2
Adm Jan	7 1/2	5/76	100 1/2	7 1/2
Adm Dec	7 1/2	4/76	100 1/2	7 1/2
Adm Nov	7 1/2	3/76	100 1/2	7 1/2
Adm Oct	7 1/2	2/76	100 1/2	7 1/2
Adm Sep	7 1/2	1/76	100 1/2	7 1/2
Adm Aug	7 1/2	12/75	100 1/2	7 1/2
Adm Jul	7 1/2	11/75	100 1/2	7 1/2
Adm Jun	7 1/2	10/75	100 1/2	7 1/2
Adm May	7 1/2	9/75	100 1/2	7 1/2
Adm Apr	7 1/2	8/75	100 1/2	7 1/2
Adm Mar	7 1/2	7/75	100 1/2	7 1/2
Adm Feb	7 1/2	6/75	100 1/2	7 1/2
Adm Jan	7 1/2	5/75	100 1/2	7 1/2
Adm Dec	7 1/2	4/75	100 1/2	7 1/2
Adm Nov	7 1/2	3/75	100 1/2	7 1/2
Adm Oct	7 1/2	2/75	100 1/2	7 1/2
Adm Sep	7 1/2	1/75	100 1/2	7 1/2
Adm Aug	7 1/2	12/74	100 1/2	7 1/2
Adm Jul	7 1/2	11/74	100 1/2	7 1/2
Adm Jun	7 1/2	10/74	100 1/2	7 1/2
Adm May	7 1/2	9/74	100 1/2	7 1/2
Adm Apr	7 1/2	8/74		



## New International Bond Issues

Compiled by James E. Cornell

Issuer	Amount (millions)	Mat.	Coup. %	Price	Terms
<b>Floating Rate Notes</b>					
Union Européenne de CFC	\$200	1997	0.125	99.88	Over 3-month Libor, Noncallable, Fees 0.15% (Denominations \$10,000, Kidder, Peabody Int'l)
Halifax Building Society	£100	1998	0.25	99%	Over 3-month Libor, Noncallable, Fees 0.20% (J.P. Morgan Securities)
3i International	£150	1999	0.1875	99.725	Over 3-month Libor, Callable at par from 1997, Fees 0.4625% (Kidder, Peabody Int'l)
De Nationale Investeringbank	¥10,000	2001	0.395	100.30	Under 6-month Libor, Minimum coupon is 3.6% until 1997, maximum is 5.3% until 1999. From 1999, the notes become callable at par and pay a 5.3% coupon. Fees 0.30% (Mitsubishi Finance Int'l)
<b>Fixed-Coupons</b>					
PT Astra Int'l	\$125	2001	9%	99.90	Noncallable, Fees 1% (Chase Investment Bank Ltd.)
Baden-Wuerttemberg L-Finance NV	DM 2,000	1999	6	99.20	Noncallable global issue, Fees 0.25% (Deutsche Bank AG, J.P. Morgan, Salomon Brothers)
Caisse Centrale de Crédit Immobilier	FF 1,500	2002	6	92.83	Noncallable, Fungible with outstanding issue, raising total to 4 billion francs, Fees 0.35% (Crédit Lyonnais)
Crédit Local de France	FF 350	2004	6%	99%	Noncallable, Fungible with outstanding issue, raising total to 4 billion francs, Fees 0.35% (Crédit Lyonnais)
Abbey National Treasury Services	£150,000	2004	9%	100.30	Callable at par from 1996, Fees 2% (Credito Italiano)
Toyota Motor Credit	¥250,000	1999	8%	101.657	Noncallable, Fees 1.8% (Deutsche Bank AG, London)
Sweden	CS 200	1999	8%	101.345	Noncallable, Fees 1.8% (Deutsche Bank AG, London)
Suedwestdeutsche Landesbank Girozentrale	¥20,000	1999	3.85	100.15	Noncallable, Fees 0.25% (Merrill Lynch Int'l)

## DOLLAR: Circumstances Conspire Against Currency

Continued from Page 9

The Bank of Japan's efforts to keep the yen from appreciating.

Central banks "have been strong sellers over the past eight or nine days," noted Rainer Mariani at Credit Suisse in Zurich.

The selling has not been spectacular, Mr. Burckhardt observed. "But a couple of million, constantly," he added, has become a weight on the market.

Traders offer a multitude of explanations for the sales. Some say the banks are selling on behalf of the Malaysian central bank, which is supposedly still unwinding losing positions built up by its former management. Others suspect there is a rebalancing going on in Europe aimed at reducing holdings of dollars in favor of marks.

Whatever the motivation, dealers agree that such selling in a market already lacking conviction has greatly diminished volatility. That outcome alone could justify the central-bank actions, as officials where price movements are relatively small. "It makes their interventions more influential," one analyst comments.

Regarding current investor demand, William Dudley at Goldman, Sachs & Co. in London contended that "U.S. interest rates have not increased sufficiently nor have German rates declined

enough" to pull additional money into dollar-denominated investments. "There are no big portfolio shifts into the dollar under way," he said.

This, at a time when the outflow from the United States remains heavy due to the widening trade deficit, means that those who are acquiring dollars "require a risk premium," Mr. Dudley added. "To hold dollar assets means you have to expect the dollar to appreciate." And at current levels the dollar does not appear to offer that perspective, he said.

"The dollar is not so undervalued as is popularly assumed," he said. He noted that estimated measures of the dollar's purchasing power parity of around 1.50 DM "vastly overstate where the dollar should be." In his view, that parity is somewhere around 1.75 DM and given the increased risk premium on the dollar "it's logical that the dollar should trade at some discount."

Jim O'Neill at Swiss Bank Corp. in London further argues that the upward revisions in expected German growth this year mean that "there is a basic reassessment about Germany under way. It's not the basket case on competitiveness that most people thought; it's on the verge of a significant reversal, with growth increasing and inflation headed lower, to below 2 percent next year."

reward the Bundesbank for its obstinacy in lowering interest rates," Mr. O'Neill said. "It has carried the German economy through a massively difficult period of transition and the rewards are starting to show up. The market is being forced to reassess the Deutsche mark."

"In an environment where the market is worried about inflation," says Mr. O'Neill, "there are only three central banks in the world that can be trusted: the Bundesbank, the Swiss National Bank and the New Zealand authorities."

While Mr. O'Neill maintains a long-held opinion that the dollar will trade down to around 1.60 DM by mid-year — a view now more widely shared — other analysts continue to argue that the mark's strength is transitory and will be reversed once the full amount of U.S. increases and German reductions in interest rates become visible later in the year.

This is the view of Norbert Walter at Deutsche Bank in Frankfurt and Avinash Persaud of J.P. Morgan & Co. in London.

They argue that the market — judging by the performance of interest-rate futures prices — has lost its bearings. The prices show that three-month interbank rates in December are expected to be 5.14 percent on marks and 5.79 percent on dollars. That is a spread of 65 basis points in favor of the dollar, down from a differential of 90 basis points assumed a week earlier.

But the Morgan forecast has German rates well below 5 percent and U.S. rates approaching 6 percent.

"Once the mindset is broken on where interest rates are headed, the dollar will be free to push higher," Mr. Persaud asserted.

### Banker Sues Deutsche

Two newspapers, the Wiesbadener Kurier and the Darmstädter Echo, said Saturday that a retired chief of a regional German bank had filed a legal complaint against Deutsche Bank with the Frankfurt state prosecutor, according to a Reuters dispatch from Frankfurt.

Fritz H. Haase reportedly alleged that Deutsche Bank "failed to meet the minimum requirements" for checking and dispensing loans to the Schneider group. Spokesmen for Deutsche Bank and the Frankfurt prosecutor's office had no immediate confirmation of the suit.

The weekly Der Spiegel said that Deutsche Bank had let 240 million DM that Mr. Schneider had held in Switzerland slip through its fingers by acting too slowly. A spokesman confirmed the bank was trying to track down the funds but declined to confirm the sum in question.

## Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes				Money Rates			
	Apr 22	Apr 23	Chg.		Apr 22	Apr 23	Chg.
United States	3,448.68	3,461.47	+0.35%	Discount rate	3.00	3.00	
DJ Indus.	1,992.25	1,994.24	+0.28%	Prime rate	6%	6%	
DJ UHL	1,995.02	1,997.25	+0.95%	Federal funds rate	3 1/16	3 1/8	
DJ Trans.	412.35	411.37	-0.25%				
S & P 100	447.63	446.10	-0.33%				
S & P 500	519.27	518.01	-0.24%				
S & P Ind	247.95	247.65	-0.12%				
NYSSE Co							
Germany							
DAX	3,133.70	3,168.30	+1.09%	Bank base rate	5%	5%	
FTSE 100	2,499.30	2,507.40	+0.32%	Call money	5.50	5.65	
Japan				3-month interbank	5.65	5.65	
Nikkei 225	19,964	20,164	+0.99%				
DAX	2,213.92	2,200.42	-0.61%				
Hong Kong	9,154.85	9,236.06	+0.89%				
Hong Kong							
MSCI	654.30	658.20	+0.61%				

World Index From Morgan Stanley Capital Int'l.

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# The Case of the Misbehaving Yield Curve

By Floyd Norris  
New York Times Service

NEW YORK — A funny thing happened when the Federal Reserve Board set out to raise interest rates this year. The ones they wanted to raise went up only grudgingly. But others zoomed skyward.

Call it the case of the misbehaving yield curve. Short-term rates have moved less than the Fed seemed to have wanted, while long-term rates rose more. Moreover, rates on corporate and municipal bonds have risen more than those on Treasuries.

None of this is what was forecast, either by the Fed or by most private economists. The logic was that with inflation obviously not a big threat, a Fed tightening would reassure investors and long bond rates would not go up nearly as much as short rates.

In fact, the rise in short rates has been almost grudging. The Fed has pushed up the federal funds rate — the rate banks charge

on loans to each other — by three-quarters of a percentage point, to 3.75 percent. But three-month Treasury bill rates have climbed only about three-fifths of a point, and the increase in the rates that banks pay to savers has been much less than that, in some

## U.S. CREDIT MARKETS

cases well under half a percentage point. Meanwhile, rates on longer bonds are up one percentage point, and in some cases more.

Both the bond and stock markets have taken big hits since the Fed acted. But last week both markets took the latest Fed tightening with more aplomb than they had the previous two.

The bellwether 30-year Treasury bond ended the week yielding 7.23 percent, down from 7.29 percent at the end of the previous week. As its price rose, although the return is about one percentage point higher than it was before the Fed started tightening. At the other end of

the maturity spectrum, the two-year note yielded 5.58 at the close of Friday trading, up from 5.47 the week before, as its price fell.

The stock market lost a mere 12.79 points, to 3,648.68, as measured by the Dow Jones industrial average.

The markets' muted reaction to the latest Fed move may reflect the lack of alternative investments. Mutual funds are seeing less cash flow out because the banks, confronted with uninspiring loan demand, see no reason to bid for funds. Instead, they hope to push up their profit margins a bit — a fact that may yet help to give new life to bank stocks.

On the other side, the rise in long-term interest rates reflects a number of market realities. When rates started to rise, a lot of managers with leveraged bets on lower rates had to sell, and sell fast.

A few years ago, accounting rules let banks hide losses on bonds, not to mention mortgage loans, when rates turned up, as

long as the bonds were not sold. Now, as the economist Henry Kaufman points out, such losses are generally reported in any case, so there is less incentive to hold on when the bond market turns down.

Mr. Kaufman contended that the way rates are behaving is unlikely to have much impact on the economy. A new recession would be much more likely if short-term rates were in danger of getting above long-term rates, and the fact nothing like that is happening is very good news.

That has not stopped some on Wall Street from starting to worry that the Fed is going to keep tightening until it strangles economic growth. Evidently, they believe that while low interest rates took a long time to help the economy, higher ones can quickly kill it.

Such fears will eventually be proved wrong. When that happens, do not be surprised if the stock market mounts a big rally as investors conclude that higher interest rates are no problem.

## Kidder Says 2d Trader Dismissed

By Steve Lohr  
New York Times Service

NEW YORK — Kidder, Peabody & Co. has said that it discharged a second trader for concealing losses, a sign that broader problems were emerging at the securities firm.

The trader, Neil Margolin, was the second person to be dismissed by Kidder after being accused of illicit trading activities. Mr. Margolin's concealed losses, Kidder said late Friday, amounted to about \$10 million. They said that the hidden losses did not result in losses for any Kidder customers or other brokerage firms.

The latest incident is minor, compared with the plot that Kidder disclosed a week ago after it dismissed Joseph Jett, the head of the firm's government securities trading desk. An internal review of trading practices found that he had conducted an elaborate trading scheme to create \$350 million in fake profits and conceal \$100 million in losses.

Still, the two episodes, coming in quick succession, raised questions about the quality of the supervision of trading practices at Kidder. Mr. Margolin, who had been at Kidder since 1986, worked on the firm's interest-rate swaps desk. A Kidder executive said he had been dismissed on Thursday after he "confessed to wrongdoing."

Helen Keebner, a Kidder spokeswoman, said the concealed losses totaled less than \$10 million. The shortfall, she said, would be covered by "normal operating reserves," and not require a special charge against earnings of either Kidder or its corporate parent, General Electric Co.

Kidder said the Margolin case was separate from the scheme that Mr. Jett was said to have engineered on the government desk.

After Mr. Jett was dismissed, Kidder also suspended six other employees, who have not been identified.

## The Week Ahead: World Economic Calendar, April 25 - 29

Asia-Pacific		Europe		Americas	
April 25	Hong Kong: February retail sales.	April 25	Frankfurt: March producer price index. Forecast: Up 0.1 percent in month, up 0.3 percent in year.	April 25	Washington: March durable goods orders.
April 26	Tokyo: Japan Automobile Manufacturers Association announces March vehicle production.	April 26	Frankfurt: March trade balance. Forecast: 5.7 billion deutsche marks surplus in month.	April 26	Washington: March new home sales.
April 27	Singapore: Unleas, the U.S. computer maker, will announce the establishment of its regional headquarters in Singapore.	April 27	Frankfurt: March 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.	April 27	Washington: Initial estimate of gross domestic product growth for the first quarter.
April 28	Guangzhou: Guangzhou Investment, Shanghai Petrochemical.	April 28	Frankfurt: April consumer price index. Forecast: Up 0.2 percent in month, up 0.3 percent in year.	April 28	Washington: U.S. agricultural prices for April.
April 29	Sydney: John Cribb, managing director of realtor Simons, to address Securities Institute of Australia on the industry's future.	April 29	Frankfurt: April national cost of living - preliminary. Forecast: Up 0.2 percent in month, up 0.3 percent in year.	April 29	Washington: U.S. agricultural prices for April.
May 1	Tokyo: Industrial Bank of Japan to release economic forecast for fiscal 1994.	May 1	Frankfurt: April trade balance. Forecast: 5.7 billion deutsche marks surplus in month.	May 1	Washington: March personal income and spending.
May 2	Tokyo: Sanjima Bank President Toshi Morikawa to give an inaugural press conference as chairman of the Federation of Japan Bankers Association.	May 2	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 3	Emmen: Expected Allied Industries International Armhold Holdings, BMC Holdings, Stone Electronic Technology.	May 3	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 4	Hong Kong: Shares in Cheong Holdings, a financial services company, due to begin trading on the Hong Kong stock exchange.	May 4	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 5	Tokyo: Japan Automobile Manufacturers Association announces March vehicle exports.	May 5	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 6	Tokyo: Ministry of Trade and Industry releases March retail sales and industrial production figures.	May 6	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 7	Earnings expected: Allied Properties (HK), China Travel International Investment Hong Kong, Guangdong Investment, Lion Nippon, Tatung Brewery.	May 7	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 8	Earnings expected: Australian average weekly earnings for February quarter. Forecast: Slight rise.	May 8	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 9	Hong Kong: March provisional merchandise trade figures.	May 9	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		
May 10	Tokyo: Management and Coordination	May 10	Frankfurt: April 10 business climate. Forecast: Up 0.2 percent in month, up 0.3 percent in year.		

## SAFRA REPUBLIC HOLDINGS S.A. LUXEMBOURG

NOTICE IS HEREBY GIVEN by the Board of Directors of the Company that the Annual General Meeting of Shareholders of SAFRA REPUBLIC HOLDINGS S.A. ("SRH") will be held at the Hotel Royal, 12, Boulevard Royal, Luxembourg, on May 11, 1994 at 11.00 a.m.

for the purpose of considering and voting on the following matters:

- Chairman's Statement.
- Statutory Auditors' Report.
- Approval of the unconsolidated financial statements of the parent company only, for the year ended December 31, 1993.
- Discharge of the Directors and of the Statutory Auditors concerning their duties relative to the year ended December 31, 1993.
- Approval of the proposed reduction of US\$ 1,131,633 to the reserve for treasury shares.
- Approval of the proposed distribution of a dividend of US\$ 2.75 per common share and carrying forward of the balance of the profit.
- Election of the Board of Directors and of the Statutory Auditors for a new one year term. All the Directors are eligible and stand for re-election.
- Approval of the consolidated financial statements of the Company for the year ended December 31, 1993.
- Approval of a proposal to create an Executive Committee of the Board to comprise Directors.
- Approval of a proposal to change the dividend policy of the Company to make interim dividend payments.
- Authorisation to the Board of Directors to allow the Company to purchase up to 10% of common stock in open market transactions to be held in treasury.
- Miscellaneous and individual proposals.

The Board of Directors

## NOTES:

Any shareholder whose shares are in bearer form and who wishes to attend the Annual General Meeting must produce a depositary receipt or present his share certificates to gain admission.

A shareholder wishing to be represented at the meeting must lodge a proxy, duly completed, together with a depositary receipt at the registered offices of SRH at 32, Boulevard Royal, Luxembourg, not later than May 9, 1994 at 5 p.m. The shareholder may obtain the depositary receipt and if required, the form of proxy, from any of the banks listed below by lodging the share certificates at their offices or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the Annual General Meeting at his address on the register, together with a form of proxy for use at the meeting. The proxy should be lodged at SRH's offices in accordance with the above instructions.

The remittance of the form of proxy will not preclude shareholders from attending in person and voting at the meeting if they so desire.

All the resolutions covered by the Agenda may be passed by a simple majority of all shares represented at the meeting.

Shareholders may obtain copies of the documentation listed hereunder:

- This notice
- The 1993 Annual Report including the Chairman's Statement, the Statutory Auditors' Report, the consolidated and parent company only unconsolidated financial statements
- at the Company's registered office and from any of the banks at the following addresses:

- \* Union de Banques Suisses, Bahnhofstrasse 45, 8021 Zurich
- \* Union de Banques Suisses (Luxembourg) S.A., 36-38 Grand-Rue, 2011 Luxembourg
- \* Republic National Bank of New York, 30 Monument Street, London EC3R 8NB
- \* Republic National Bank of New York (Suisse) S.A., 2, place du Lac, 1204 Lugano
- \* Republic National Bank of New York (Suisse) S.A., Via Canova 1, 6900 Lugano
- \* Republic National Bank of New York (Suisse) S.A., Stockenstrasse 37, 8002 Zurich
- \* Republic National Bank of New York (Luxembourg) S.A., 32, Boulevard Royal, 2449 Luxembourg
- \* Republic National Bank of New York (France), 20, place Vendôme, 75001 Paris
- \* Republic National Bank of New York (France), 2, avenue Montaigne, 75008 Paris
- \* Republic National Bank of New York (France), Sporting d'Hiver, 2, avenue Princesse Alice, 98006 Monte Carlo
- \* Republic National Bank of New York (Guernsey) Ltd, Sarnia House, Le Truchot, St. Peter Port, Guernsey, Channel Islands
- \* Republic National Bank of New York (Gibraltar) Ltd, Neptune House, Marina Bay, Gibraltar

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○ The Sharp Rebound in Europe's Corporate Profits  
○ Can Mandela Satisfy Townships And Business?  
○ Digital Pioneers Are Creating A New Industry  
○ Italy: Can Berlusconi Untangle His Web?  
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The minimum price type international bidding is open exclusively for individual or consortium grouped companies established in IDB (International Development Bank) member countries. The financing of the items of the present bidding is in accordance with the terms of Loan contract n. 593/OC/BR.  
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At the time of purchase of the Bidding Instructions, the company shall present a letter containing its complete mailing address.  
The bid delivery will be on July 13, 1994, at 3:00 PM, at 233 Voluntários da Pátria Street, 5th floor, Curitiba - PR.  
The Bidding will be ruled by Law n. 8666, dated June 21, 1993; resolution set forth by State Decree n. 700, dated September 9, 1991; IDB bidding procedure and by further conditions herein stated and also in the Contract Documents.



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## TO OUR READERS IN VEVEY/MONTREUX AREA

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Now available on day of publication



**NASDAQ NATIONAL MARKET**

OTC Consolidated trading for week ended Friday, April 22.

(Continued)

Stocks	Div	Yld	100s	High	Low	Cls	Ch
Humphreys			54 1/2		54 1/4	53 3/4	

[illegible][illegible][illegible]

## TO OUR READERS IN ALBANIA

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# MONDAY SPORTS

## Bullets Finish in Triumph, Unseld Quits as Coach

The Associated Press

Wes Unseld announced his resignation Sunday after seven years as the coach of the Washington Bullets, immediately after his team finished its season with a 117-97 victory over the Charlotte Hornets.

When the game ended, Unseld announced to the crowd in Landover, Maryland, that this would be his last game as coach, and that he will return next year in a front office capacity. A Hall of Famer and five-time All-Star as a player, Unseld was admired as a coach but

finished with a 202-345 record. The Bullets were 24-58 this season. Knicks 92, Bulls 76, Patrick Ewing scored 23 points and New York

### NBA HIGHLIGHTS

used its rugged defense to win the regular-season NBA finale at historic Madison Square Garden. The Knicks (57-25) finished tied with Atlanta for the best record in the Eastern Conference, but the Hawks had already clinched the top seed on the basis of a better

conference record. New York already was assured the second seed and Chicago the third.

The Bulls will move across the street next season to the United Center.

**In Saturday's games:** Hawks 93, Magic 89; Atlanta, playing at home, clinched home-court advantage through the Eastern Conference playoffs as Stacey Augmon, who had 22 points and 11 rebounds, ended the scoring on a dunk with 26 seconds left.

The Hawks won their fourth division title since moving to Atlanta in 1968. They play Miami in the best-of-5 first round of the playoffs.

Shaquille O'Neal, battling San Antonio's David Robinson for the league scoring title, led the Magic with 27 points and 19 rebounds. He was averaging 29.3 points with one game left Sunday night against New York. Robinson was averaging 29.6 points heading into his regular-season finale against the Los Angeles Clippers.

Warriors 126, Lakers 91: Chris Webber scored 27 points to lead six Warriors in double figures as Golden State handed visiting Los Angeles a franchise-record ninth straight loss in Magic Johnson's next-to-last game as coach.

Suns 101, Kings 100: Kevin Johnson scored 20 points. Cedric Ceballos had 18 and Phoenix held off Sacramento's furious last-minute rally to close its regular season with a seven-game winning streak. The Suns will play Golden State in the first round of the playoffs.

### SCOREBOARD

#### BASEBALL

##### Major League Standings

###### AMERICAN LEAGUE

###### East Division

Boston 12 5 376 10

Toronto 12 5 376 10

Baltimore 10 6 325 14

New York 10 6 325 14

Detroit 9 7 324 15

###### Central Division

Chicago 11 6 467 1

Cleveland 9 8 406 10

Minnesota 9 8 406 10

Kansas City 7 10 367 2

West Division

California 10 6 444 1

Oakland 10 6 444 1

Seattle 10 6 444 1

###### NATIONAL LEAGUE

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San Diego 10 6 444 1

#### Baseball

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#### BASKETBALL

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Pittsburgh 10 6 444 1

Chicago 10 6 444 1

###### West Division

San Francisco 10 6 444 1

Colorado 10 6 444 1

Los Angeles 10 6 444 1

San Diego 10 6 444 1

#### HOCKEY

##### NHL Playoffs

###### First Round

St. Louis 12 5 376 10

Toronto 12 5 376 10

Baltimore 10 6 325 14

New York 10 6 325 14

Detroit 9 7 324 15

###### Second Round

Chicago 11 6 467 1

Cleveland 9 8 406 10

Minnesota 9 8 406 10

Kansas City 7 10 367 2

West Division

California 10 6 444 1

Oakland 10 6 444 1

Seattle 10 6 444 1

###### NATIONAL LEAGUE

###### East Division

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New York 12 5 376 10

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Florida 10 6 325 14

Philadelphia 9 7 324 15

###### Central Division

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St. Louis 10 6 444 1

Pittsburgh 10 6 444 1

Chicago 10 6 444 1

###### West Division

San Francisco 10 6 444 1

Colorado 10 6 444 1

Los Angeles 10 6 444 1

San Diego 10 6 444 1

#### GYMNASTICS

##### World Championships

###### Men's

1. Ivan Ivanov, Bulgaria, 57.15 points.

2. Alexei Voronov, Russia, 56.94.

3. Vitaly Scherbo, Belarus, 56.82.

4. Vitaly Scherbo, Belarus, 56.82.

5. Vitaly Scherbo, Belarus, 56.82.

6. Vitaly Scherbo, Belarus, 56.82.

7. Vitaly Scherbo, Belarus, 56.82.

8. Vitaly Scherbo, Belarus, 56.82.

9. Vitaly Scherbo, Belarus, 56.82.

10. Vitaly Scherbo, Belarus, 56.82.

11. Vitaly Scherbo, Belarus, 56.82.

12. Vitaly Scherbo, Belarus, 56.82.

13. Vitaly Scherbo, Belarus, 56.82.

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17. Vitaly Scherbo, Belarus, 56.82.

18. Vitaly Scherbo, Belarus, 56.82.

19. Vitaly Scherbo, Belarus, 56.82.

20. Vitaly Sch



# MONDAY SPORTS

## Beating Pirates, Braves End Skid

**The Associated Press**  
Greg Maddux ended Atlanta's longest losing streak in a year at four games on Sunday, pitching a three-hitter and striking out a career-high 11 as the Braves beat the Pittsburgh Pirates, 3-0, in Atlanta.

### NL ROUNDUP

Maddux (4-1) allowed only three singles in lowering his earned-run average to 0.88 and retired 16 of his last 17 batters.

The right-hander, who has won the National League Cy Young Award two straight years, walked none in his second complete game.

This season and first shutout since Aug. 15. It was his 51st complete game and 15th shutout.

Atlanta hadn't had a losing streak this long since they dropped five straight last April 25-29.

The Braves failed to take advantage against Steve Cooke, hitting into a pair of double plays in the first three innings and having a runner thrown out at the plate in the fourth.

Atlanta got a run in the second when Cooke walked Fred McGriff and Dave Gallagher and allowed a single to David Justice, loading the bases. McGriff scored when Javier Lopez hit into a double play.

The Braves chased Cooke in the seventh. Lemke led off with his first homer of the year, Maddux doubled and Deion Sanders had a bunt single. Reliever Dan Miceli then struck out Jeff Blauser and got Terry Pendleton to hit into a double play.

Reds 5, Marlins 2: In Cincinnati, Reggie Sanders bounced two hits off the centerfield fence, then drove a three-run homer into the second deck as the Reds beat Florida.

Sanders tripled in the first, doubled in the fourth and homered in the fifth, all off Chris Hammond.

Tom Browning (2-0) pitched a three-hitter for his second straight complete game.

Cardinals 5, Astros 4: Bernard Gilkey scored on a wild pitch by Mike Hampton to cap a three-run eighth, and St. Louis rallied past visiting Houston.

St. Louis trailed 4-2 in the eighth when Ray Lankford led off with a double off Shane Reynolds. Gregg Jefferies singled, pulling St. Louis within a run, took third on Todd Zeile's single off Tom Edens and scored on Gilkey's fielder's choice groundout.

Brian Jordan's double sent Gilkey to third, and Gilkey scored on the wild pitch by Hampton, the fourth pitcher of the inning.

Rich Rodriguez pitched two innings for the victory.

In games played Saturday: Pirates 6, Braves 1: The Braves lost their fourth straight game when Pittsburgh's Kevin Young singled home the tie-breaking run in the ninth in Atlanta.

The Braves began the season with a 13-1 record.

Young, batting .095 (2-for-21) entering the game, had two hits. His single in the ninth followed singles by pinch-hitter Dave Clark and Don Slaught off Greg Maddux.

Giants 10, Mets 1: Matt Williams, Royce Clayton and Mike Benjamin each hit two-run homers as the Giants broke out of a hitting slump and beat New York in San Francisco.

The Giants, who entered the game batting .198 in their last five games, collected 14 hits off three New York pitchers.

Bryan Hickerson limited the Mets to five hits in seven innings.

Rockies 8, Cubs 2: Greg Harris broke his six-game losing streak, scattering eight hits as Colorado defeated visiting Chicago.

Harris, bidding for the first complete-game shutout in team history, blanked the Cubs until Mark Grace led off the ninth with a single and Derrick May followed with a home run. Harris struck out eight and walked three in Colorado's first complete game of the season.

Walt Weiss had three hits, including a solo homer, for the Rockies. Eric Young hit an inside-the-park homer in the eighth inning and Dante Bichette followed with his seventh home run of the season.

Marlins 3, Reds 2: Pinch-runner Chuck Carr beat shortstop Barry Larkin's throw home on a grounder in the ninth, and Florida won in Cincinnati.

Orestes Destrade led off the ninth with a single against Hector Carrasco and was replaced by Carr, who led the league with 38 stolen bases last season. Carr moved to second on Eddie Taubensee's passed ball and took third on a sacrifice by Benito Santiago. Rick Renteria followed with a grounder to Larkin, but Carr scored ahead of the throw.

Jeremy Hernandez pitched two innings for the victory. Bryan Harvey pitched the ninth for his sixth save, ending Cincinnati's four-game winning streak.

Astros 15, Cardinals 5: In St. Louis, Kevin Bass went 5-for-6 with a homer, and Steve Finley had four hits and drove in three runs to power Houston, which had a season-high 18 hits.

Bass, who drove in three runs, matched a career-high with five hits by homering in the ninth, Finley went 4-for-5 and scored twice. Rookie James Mouton hit a grand slam, his first career homer, to highlight a six-run eighth inning.

Darryl Kile allowed three runs and three hits in six innings.

Expos 6, Dodgers 6: In Los Angeles, Lenny Webster hit a two-run homer in the 11th inning off Roger McDowell to lift Montreal to their fifth straight victory.

The game was marred by a collision in short right field between rookie outfielder Raul Mondesi and second baseman Delino DeShields in the seventh. DeShields lay motionless on the field for several minutes before being carried off on a stretcher wearing a neck brace. He sustained a concussion and was kept in a hospital overnight for observation.

In the 11th, Larry Walker, who had three RBIs, singled with one out off McDowell. Pinch hitter Ken Hill, a Montreal pitcher, then sacrificed Walker to second, and Webster, who played for Minnesota last season, drove a 3-1 pitch over the wall in left-center for his first two National League RBIs.

Padres 8, Phillies 2: Tony Gwynn went 5-for-5 with a home run and tied a club record by scoring four runs, lifting San Diego over visiting Philadelphia.



Seattle's Roger Salkeld practiced keeping the ball on his fingers, if not in the park, after Rafael Palmeiro homered for Baltimore.

## Bengals Make Wilkinson Top Pick In NFL Draft, Colts Take Faulk 2d

**The Associated Press**  
NEW YORK — It took the Cincinnati Bengals 30 seconds to take Dan Wilkinson, the Ohio State defensive tackle known as "Big Daddy," on Sunday as underclassmen again dominated the National Football League draft.

Now let's see how long it takes the traditionally tight-fisted Bengals to sign to the No. 1 pick in the NFL draft.

The 6-foot-3 (1.9-meter), 313-pound (141-kilogram) Wilkinson, who played only two years of college football, is hailed as the next Reggie White or Cortez Kennedy — a dominant inside bull who can stop the run and rush the passer.

Two more underclassmen followed — Marshall Faulk of San Diego State taken by Indianapolis and quarterback Heath Shuler of Tennessee, who went to Washington as the heir apparent to the released Mark Rypien.

New England then took the first senior, defensive end Willie McGinest; the Colts dealt with the Rams and used their second first-round pick on Nebraska linebacker Trev Alberts and then Tampa Bay chose Fresno State quarterback Trent Dilfer, another junior. After San Francisco chose Notre Dame defensive tackle Bryant Young, Seattle went for another defensive lineman, Sam Adams of Texas A&M, making five of the top eight choices underclassmen.

The Rams, who originally were scheduled to pick fifth, were active traders in this draft.

First they traded down from fifth to seventh, allowing the Colts to take Alberts. Then they dealt down from seventh, giving San Francisco the pick and the rights to choose Young, a defensive tackle from Notre Dame the 49ers will use

to shore up their oversized but underachieving defensive front.

San Francisco, meanwhile, got that pick without giving up both their first and second round picks, No. 15 overall. The Niners also gave up a second and third.

Wilkinson was chosen by the Bengals despite a request by his agent, Leigh Steinberg, to trade him to a team willing to pay the more than \$2 million a year he wants. Steinberg, who has represented five of the last six players taken No. 1, normally has his pick signed before the draft.

But Wilkinson, who grew up in Dayton, about an hour's drive north of Cincinnati, said "I'm confident we can reach agreement."

And the Bengals apparently never hesitated.

General Manager Mike Brown said 21 other teams contacted him about trading up for Wilkinson but added, "I never came close to trading the pick."

Brown made light of the salary squabble, pretending to place a dollar bill in the hand of a life-size, black-and-white cutout of Wilkinson brought into the media room after they picked him.

"Signs is always a bit of a chore," Brown said. "I have faith we will get it done. We about always get it done."

The Rams, who normally don't deal during the draft, and the 49ers, who almost always do, did what the Patriots were expected to do — use the fourth pick to deal to a team that wanted Dilfer.

But nobody called coach-general manager Bill Parcells with the right deal and he settled for McGinest, whom he might have gotten lower. McGinest is a 255-pound pass rusher he hopes he can turn into another Lawrence Taylor.

New England took most of its

allotted 15 minutes before selecting McGinest. He was impressive in postseason workouts and his stock shot up as the draft approached.

Earlier, San Francisco traded linebacker Bill Romanowski to the Philadelphia Eagles for third- and sixth-round picks.

The Eagles gave up the second of three picks they owned in the third round, the 100th overall, and the second of three picks they owned in the sixth round, the 190th overall.

In Romanowski, they got a six-year veteran who was San Francisco's top tackler the past two seasons.

He is expected to replace linebacker Seth Joyner, who signed as a free agent last week with the Arizona Cardinals.

Earlier, Frank Linsky of The New York Times reported:

Year after year, NFL teams spend hundreds of thousands of dollars scouting college players, looking for the next Lawrence Taylor or Emmitt Smith or Dan Marino.

And year after year, when the draft arrives, some teams will somehow pass on a Taylor or Smith or Marino and take a young hero who will struggle just to last a few years in the pros.

This annual refurbishing exercise, a highly inexact science, is with us again. The draft began Sunday with two rounds and will conclude Monday with five rounds.

Each team's brain trust — general manager, head coach, director of college scouting and maybe owner — would make its picks from a war room in its offices at home. It would telephone the names to draft headquarters in New York City, where draft experts in the media and the public gallery would instantly turn thumbs up or thumbs down.

This year, the draft is especially

difficult for the teams. Each team's salary cap of \$34,608,000 limits its ability to sign veteran free agents to fill needs. Some of those needs are unclear, because many free agents are still unsigned, so teams enter the draft not sure they can solve all their personnel problems there.

And even if they do well for themselves, the crop of eligible draftees looks ordinary this year.

"There is more uncertainty, more urgency than ever before," said Joel Buchsbaum, who studies the draft year round for Pro Football Weekly. "You can't take a guy and not have him contribute right away. The days when you drafted for the future are over. The future is now, because free agency can rob you of the future. So teams have to live like terminally ill patients."

Some of those teams already seem terminally ill because of bad seasons last year. But because teams draft in inverse order of the previous year's finish, some 1993 losers may start getting better if they take one of the four players who rank well above the others in this draft.

Those four are defensive tackle Wilkinson, running back Faulk and quarterbacks Shuler and Dilfer. But even the day of the draft, which player would go to which team was uncertain.

There might be other trades. One report Saturday said a three-way deal had been completed in which the Minnesota Vikings would send defensive end Chris Doleman to the Pittsburgh Steelers for the Steelers' first-round choice, the 17th overall. The Steelers would then send Doleman to the Atlanta Falcons for wide receiver Mike Pritchard. The Steelers would wind up with three first-round picks in a row: 17, 18 and 19.

## Abbott 3-Hits the A's as Yankees Win 5th Straight

**The Associated Press**  
Jim Abbott held Oakland hitless for 6½ innings, and Don Mattingly hit his second homer in two days as the New York Yankees beat the Athletics, 6-2, on Sunday in New York for their fifth straight victory.

Abbott (2-2), who pitched a no-hitter last Sept. 4 at home against Cleveland, stopped the A's until Geromino Berroa blooped an opposite-field single to right.

Abbott allowed one run on three hits in eight innings. He struck out six and walked five, and sent Oakland to its sixth consecutive loss. Jeff Reardon pitched the ninth and gave up a pinch-hit home run to Mike Aldrete.

Mattingly, homerless in the Yankees' first 15 games, connected for a three-run shot off Bob Welch during a four-run third inning. Luis Polonia's sacrifice fly produced the first run, and Welch walked Wade Boggs before Mattingly homered.

New York added two runs in the seventh when Pat Kelly singled and scored on Polonia's wind-blown triple. Polonia scored when John Briscoe's first pitch to Boggs was a wild.

After Berroa singled with one out in the seventh, Abbott walked Mark McGwire on four pitches. Ruben Sierra followed with an RBI single, but Terry Steinbach grounded into an inning-ending double play.

Mariners 7, Orioles 6: Ken Griffey Jr. hit a long three-run homer in the eighth inning, capping a four-run rally that lifted Seattle past Baltimore.

Trailing, 6-3, Seattle loaded the

### AL ROUNDUP

bases in the eighth against Jamie Moyer. Brad Pennington came in and drew a wild pitch, allowing a run to score.

Griffey hit Pennington's next pitch well over the 25-foot wall in right, his fifth homer of the season.

Red Sox 5, Angels 4: Scott Cooper hit a pair of solo homers and made an acrobatic defensive play at third base as the Red Sox won their sixth straight over visiting California.

It was the ninth straight loss at Fenway Park for the Angels, who are 1-7 in one-run games this season.

Cooper homered to right in the fourth and hit his fifth of the season into the screen atop the left-field fence in the sixth. He also started in the field. With a runner on first and none out in the fifth, Cooper dove to his right to stop Tim Lincecum's shot down the line and made the throw in time to first.

Aaron Sele (2-0) allowed four runs on five hits and five walks for Boston.

Brewers 7, Royals 6: Ricky Bones pitched the first shutout of his career, scattering six hits and leading Milwaukee over visiting Kansas City.

Bones (3-1), making his 74th start in the majors, ended the game by getting Dave Henderson to ground into a double play with the bases loaded.

Bones struck out three and walked one in his second complete game of the season and fifth of his career. He did not allow a runner past second base until the ninth.

Twins 7, Blue Jays 3: Alex Cole led off the game with the first home run of his career, sending visiting Minnesota over Toronto and stop-

ping the Blue Jays' six-game winning streak.

Cole, who had never connected in 1,317 at-bats, hit Juan Guzman's 2-1 pitch 390 feet over the fence in right-center. Kevin Tapani (1-1) kept the Twins ahead the rest of the way, ending their three-game losing streak. He gave up three runs in seven-plus innings.

Joe Carter increased his team RBI record for April to 28, driving in a run with a groundout in the third.

In games played Saturday: Pirates 6, Braves 1: The Braves lost their fourth straight game when Pittsburgh's Kevin Young singled home the tie-breaking run in the ninth in Atlanta.

The Braves began the season with a 13-1 record.

Young, batting .095 (2-for-21) entering the game, had two hits. His single in the ninth followed singles by pinch-hitter Dave Clark and Don Slaught off Greg Maddux.

Giants 10, Mets 1: Matt Williams, Royce Clayton and Mike Benjamin each hit two-run homers as the Giants broke out of a hitting slump and beat New York in San Francisco.

Yankees chased Oakland's Todd Van Poppel in the first inning in New York.

Don Mattingly also homered as the Yankees won their fourth in a row. Ruben Sierra, Geromino Berroa and Scott Brosius homered in Oakland's fifth consecutive loss.

Van Poppel walked six and left after getting only two outs in the first. Terry Mulholland was the winner and Xavier Hernandez pitched the ninth for his third save.

Red Sox 5, Angels 4: In Boston, Tim Lincecum hit a pair of run-scoring singles and Mike Greenwell had a two-run homer as the Red Sox stopped California for their fifth straight victory.

Orioles 4, Mariners 3: Leo Gomez singled home the go-ahead run in the eighth and Lee Smith got his ninth save faster than any player in major-league history as Baltimore topped visiting Seattle.

Chris Hoiles opened the Baltimore eighth with a single off Bobby Thigpen and took second on a sacrifice. After a walk to Mark McLemore, Gomez lined a single.

Smith pitched a perfect ninth to get his second save in two days. He

has nine saves in 16 games, breaking the record of 20 games set by Dennis Eckersley in 1988.

Brewers 3, Royals 2: Bill Spiers singled home the go-ahead run in the eighth inning to lift the Brewers past Kansas City in Milwaukee.

Matt Mieske singled with one out in the eighth off Stan Belinda and Darryl Hamilton singled with two outs against Mike Magnante. Spiers followed with a single to right field.

White Sox 9, Tigers 3: Lance Johnson's bases-loaded triple highlighted a six-run first inning as Chicago defeated visiting Detroit.

The White Sox, who have won six of their last seven, scored all their runs in the first two outs. Rob Ventura went 4-for-5 for Chicago, which had a season-high 16 hits.

Indians 10, Rangers 9: In Arlington, Texas, Eddie Murray led off the ninth with a homer off Tom Henke as Cleveland rallied to win.

The Indians trailed 9-6 but scored three runs in the eighth to tie it. Jim Thome hit a two-run homer, his third, and another run scored when Henke threw a wild pitch. Jose Mesa gave up two runs in three innings but got the victory.

### SIDELINES

#### Scherbo Adds 2 Golds, Hope

**BRISBANE, Australia (AP)** — Vitali Scherbo of Belarus won two gold medals Sunday, in the vault and the horizontal bar, to finish the World Gymnastics Championships with three golds and a bronze if not the overall title.

"Maybe this will help me for sponsorship and marketing," said Scherbo, who currently receives a grant of \$70 a month from the Belarus government.

Shannon Miller of the United States, who won the women's overall crown, got her second gold, on the beam. (See Scoreboard for other medalists)

#### Coceres Wins Catalonia Open

**PALS, Spain (AP)** — José Coceres of Argentina shot a 3-under-par 69 Sunday for a total of 275 to win the Catalan Open by three shots over Jean-Louis Guepy of France, who scored 71 in the final round.

Mike Springer, a four-shot lead into Sunday's final round of the Greater Greensboro Open in North Carolina. Brad Bryant, after a 68, and John Morse, with 67, were in second place.

#### French Horse Wins in Tokyo

**TOKYO (AP)** — Favored Ski Paradise of France rallied along the rail down the stretch to win the Keio-ho Spring Cup race Saturday outside Tokyo. The 4-year-old filly was ridden by the United Arab Emirates, was second, 1½ lengths back, when Sayyidadi of England a nose farther back. Concern, last until the field turned for home, overtook pacemaking Silver Gobelin, then held off Blumfin Affair by a nose, to win the Arkansas Derby.

#### For the Record

Johan Museeuw of Belgium outsprinted Bruno Ceugnita to win the Amstel Gold World Cup bike race, beating the Italian by a wheel width.

Mac Suzuki, 18, the Japanese player seeking to make the major leagues, has a mild impingement in his right shoulder and won't pitch again in the minors for three to five weeks, the parent team said in Seattle.

The University of West Virginia said it had formally accepted an invitation to join the Big East Conference as an all-sports member.

England won the women's rugby union World Cup by beating the defending champion United States, 38-23, in Edinburgh. France beat Wales, 27-0, for third place. (AP)

**Quotable**  
• Jim Courier, asked by a reporter in Nice why he was so popular in France: "Parce que je parle comme une vache espagnole." (Translation: "Because I speak [French] like a Spanish cow.")

## Rangers Sweep Past Islanders, And Stars Eliminate the Blues

**The Associated Press**

Mark Messier scored two goals, including the tie-breaker in the second period, as the New York Rangers beat the New York Islanders, 5-2, Sunday to sweep their National Hockey League playoff series in Utica, N.Y.

The Rangers fell behind 2-0 as the Islanders came out strong trying to avoid their first four-game sweep in playoff history.

But the Rangers then scored five straight goals to move into the second round of the Eastern Conference playoffs starting next Sunday.

It was the Rangers' first four-game sweep in the playoffs since 1972, against Chicago, but it didn't look likely early in the game, which the Islanders dominated.

They took a 2-0 lead on their first two shots, by Steve Thomas and Dan Flutie. The Ranger goaltender Mike Richter previously had given up just one goal on 72 Islanders shots.

But the Rangers came back with goals by Alexei Kovalev, Sergei Zubov, Messier, Steve Larmer and Messier again.

Thomas scored on a slap shot from the right circle at 1:28 with the Islanders on a power play. Richter appeared shaken on the shot. Flutie made it 2-0 with his first NHL goal. He took a cross-ice pass from Pierre Turgeon and tipped the puck into the net off Richter's stick at 7:24.

The Rangers then took control. Kovalev scored from the dot in the right circle at 11:59 of the first period. The puck skidded over the goal line under the leg of Islanders goaltender Ron Hextall, who was down. Zubov made it 2-2 with a slapshot from above the right circle at 3:42 of the second.

Messier put the Rangers ahead when he stole the puck from Islanders defenseman Vladimir Malakhov just inside the blue line, went in and beat Hextall between his pads from the lower left circle at 10:22.

Larmer made it 4-2 with a rebound goal at 8:34 and Messier clinched it with a breakaway goal at 17:08.

Stars 2, Blues 1: In St. Louis, Mike Modano scored both Dallas goals, including the game-winner on a power-play goal with 3:49 to play, as the Stars completed a four-game sweep.

Modano took a pass from Russ Courtnall and scored his fifth goal of the playoffs from the right circle. The Blues were outshot 12-6 in the first period but got the only goal, Phil Housley's second of the playoffs, on a power play at 7:22. Housley took a cross-ice pass from Brendan Shanahan and scored on a shot from the top of the right circle that Wakabuki got his glove on but couldn't hold.

Dallas tied it at 15:47 of the second period on Modano's fourth goal of the playoffs. Five seconds after a tripping penalty expired on St. Louis's Kevin Miller, Modano fired a shot over Joe Sakic's right shoulder after a flurry of activity around the Blues' net.

In other games: Canadiens 5, Bruins 2: Patrick Roy, Montreal's big-game goalie, got out of a hospital bed Saturday morning and 12 hours later stopped 39 shots as the Canadiens beat visiting Boston to square the series at 2-2.

Roy was hospitalized for two days because of appendicitis and there were fears he would require surgery, which would have finished his playoff hopes.

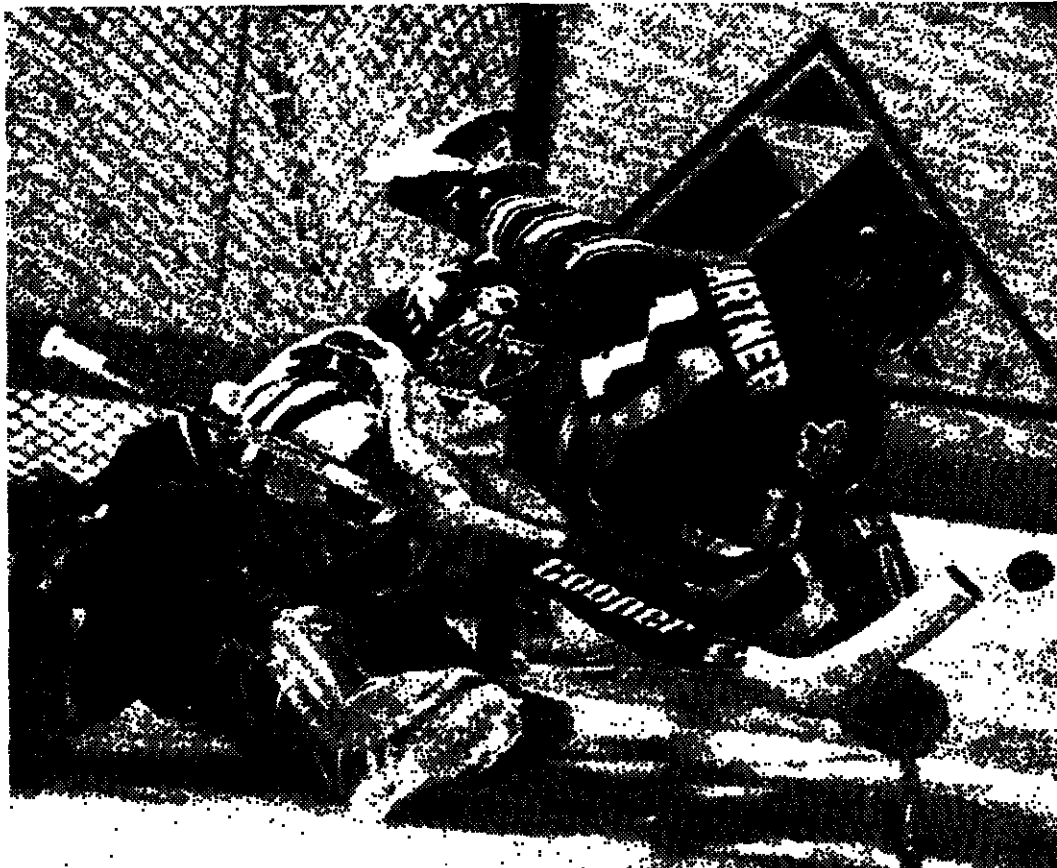
He skated onto the Montreal Forum ice to a standing ovation and stopped the first 12 shots he faced. He was at his best in power-play situations, stopping Boston cold on six opportunities.

Kirk Muller scored twice and Paul DiPietro got another on power plays for Montreal as the Canadiens scored on three of their first five shots against the Boston goalie Vincent Riendeau. Guy Carbonneau's goal in the final minute of the second period gave Montreal a 4-2 edge after Boston had cut the margin to one on goals by Adam Oates and Ted Donato. Ed Ronan added another for Montreal in the third period.

Mario Lemieux took only two shots in the first 40 minutes and the Penguins managed just seven shots in the final period. Pittsburgh's lone goal came on a 55-foot slap shot by Martin Sturka in the first period.

With the score 1-1, Washington took the lead for good at 13:47 of the second period on Bonanza's second goal of the playoffs. While the Penguins were in the midst of a line change, Bonanza took the puck into the Pittsburgh zone and sent a back-pass to Juncos, who gave it back. Bonanza brought the puck to the front of the net, spun around, and slid a shot past goalie Tom Barrasso.

Sabres 5, Devils 3: In Buffalo, Wayne Presley and Yuri Khymyev each scored twice as the series finally



Goalie Ed Belfour toppled the Maple Leafs' Mike Gartner and stopped a shot in Chicago's 5-4 victory.

showed offense. The teams had managed only a combined eight goals in the first three games combined, and had one each in the second and third periods.

Sharks 4, Red Wings 3: Sergei Makarov broke a 3-3 tie with a goal in the third period to beat Detroit in San Jose. Down 2-0 in the first period, the Sharks got their offense going for the first time since Game 1, scoring three unanswered goals. Igor Larionov had a goal and an assist and goalie Arturs Irbe stopped 21 of 24 shots.

Makarov broke the tie with his third goal 6:35 into the final period on a 2-on-2 breakaway.

On Friday, the Red Wings had taken a 2-1 lead in the series as rookie Chris Osgood stopped 22 shots to help edge San Jose, 3-2. Osgood, who stopped 22 shots in a 4-0 victory in Game 2 and blanked the Sharks the only previous time he faced them, didn't give up a goal until late in the second period by Rob Gaudreau. That ended Osgood's streak of more than 157 scoreless minutes against the Sharks.

Flames 4, Canucks 2: Theoren Fleury scored two goals, including the tie-breaker in the third period, as visiting Calgary beat Vancouver to take a 2-1 lead in the series on Friday.

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